

February 19, 2025

For the record I am Dan Fingas, Executive Director of Vermont Conservation Voters. I want to thank Chair Watson and the whole Committee for inviting me to testify today on S. 57 and for the work you all do on this important committee.

Vermont Conservation Voters works to make environmental protection a top priority for elected officials, candidates, and voters. VCV was founded in 1982 and works to elect environmentally-friendly candidates to public office, and then holds elected officials accountable for the decisions they make affecting our air, water, wildlife, land, communities, and health.

I am also here on behalf of our strategic partner Vermont Natural Resource Council as well. Through research, education, collaboration and advocacy, VNRC protects and enhances Vermont's natural environments, vibrant communities, productive working landscapes, rural character and unique sense of place, and prepares the state for future challenges and opportunities.

One of the main energy projects of VNRC is supporting the Vermont Energy and Climate Action Network which is a network of over 150 Town Energy Committees across Vermont. VECAN supports Energy Committees in all 14 counties.

The VECAN network works with these 150+ energy committees in leading a powerful grassroots response to the pressing need to be more energy efficient and generate more in-state renewable energy while reducing greenhouse gas emissions. We regularly work with these committees on webinars, trainings, discussions, and our annual conference. The views and needs of these local committees and their communities help guide my testimony today.

While I am here to represent VNRC, if the committee needs more information from VNRC after today's testimony both Executive Director Lauren Hierl and Energy & Climate Program Director Johanna Miller will be available after this week.

I am here today to share Vermont Conservation Voters' and VNRC's support for S.57, an act relating to the Standard Offer Program. This bill is crucial to ensuring that we have a pathway to cost-effective solar and community solar. An updated Standard Offer Program will allow Vermont to have both predictable and affordable electricity for

Vermonters.

Last year we saw the passage of a Modernized Renewable Energy Standard and that process was very focused on cost containment and standard offer builds on those efforts to ensure affordability. Standard Offer and its use of a reverse auction mechanism has a history of delivering cost-competitive projects. Since 2019, every Standard Offer project has come in below base price, demonstrating the effectiveness of the Standard Offer Program as a mechanism to procure cost-competitive renewable energy. These long term contracts with level rates are what we need in the solar market.

2016 - 2022 covers 28 Standard Offer projects that were awarded a contract and 8 long-term solar PPAs. Some of these projects did not make it to construction or are still pending completion but the data that we do have shows that SO prices are lower than PPAs

**Standard Offer and Utility PPAs from 2016-2022.**

|      | Standard Offer Awards |       | Utility PPAs |       |
|------|-----------------------|-------|--------------|-------|
|      | Low                   | High  | Low          | High  |
| 2016 | 7.5                   | 10.87 |              |       |
| 2017 | 8.89                  | 9.46  | 10.94        | 10.94 |
| 2018 | 8.84                  | 11.26 |              | 0     |
| 2019 | 8.38                  | 9.1   | 9.01         | 10.98 |
| 2020 | 8.78                  | 9.18  | 9.55         | 9.55  |
| 2021 | 8.48                  | 8.57  |              | 0     |
| 2022 | 8.18                  | 8.47  | 8.5          | 8.6   |

\*All prices are in cents/kWh.

Between 2016 - 2022 there were 28 Standard Offer projects that were awarded a contract and 8 long-term solar PPAs. Over the course of those 7 years and nearly 3 dozen projects only once did a Standard Offer project cost more than the most cost efficient Utility Power Purchase Agreement project and that was less than .1 cent a kilowatt hour. The numbers are clear, Standard Offer is the most affordable and cost effective way to build solar projects for Vermont.

One additional way not in the current bill that this legislation could ensure affordability is to raise the cap to 5 MW which would make projects more cost effective and would mirror the Tier 2 cap in the Renewable Energy standard., would help control costs even more.

Another benefit to S 57 is that it provides predictability for solar developers which allows them to plan projects and keep costs down providing a predictable minimum build rate that locals in climate benefits. Avoiding boom/bust contracting cycles and fluctuations in energy pricing is important to our members and supporters.

A key part of S57 is that it also allows for Community Solar. Community-owned solar is one of the best ways to make sure everyone benefits from the lower energy costs that solar provides. Historically, virtual net metering provided the sole avenue for community-owned projects. With the phaseout of virtual net metering, there is now no mechanism for community ownership. The Standard Offer Program, with a standard power purchase agreement and guaranteed off-takers for 2 megawatts a year or 10 megawatts over the 5 year plan would provide a pathway for community solar within a program that has proven to be lower cost than virtual net metering.

Lastly, when we think about solar we mostly think about it as renewable energy or a forward thinking solution to climate change, but we need to remember that solar is also an industry. An industry with over 5600 good paying jobs in Vermont that added between \$75 and \$100 million dollars to our state economy. As we look at how our state can be affordable we have to look at how we can create more good paying jobs like the electricians who install solar panels, S57 helps us do that.

We hope that the Senate Natural Resources & Energy Committee will pass a Standard Offer bill before crossover this year so that an updated Standard Offer Program can be accomplished this legislative session.

Thank you for your time today.