

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H. 40/S.51 Name of Bill: Renewable Energy Standard and Energy Transformation Program

Agency/ Dept: Public Service Author of Bill Review: Darren Springer

Date of Bill Review: 1/26/15 Related Bills and Key Players House: Reps Tony Klein and Rebecca Ellis,
Senate: Sens Bray, Ayer, Balint, Lyons, McAllister, McCormack, Pollina, and Zuckerman

Status of Bill: (check one): ☒ Upon Introduction ☐ As passed by 1st body ☐ As passed by both

Recommended Position:

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

This bill represents the Governor's EIP proposal. It eliminates the current SPEED program goals and replaces them with a two-tier renewable energy standard as well as an energy transformation projects tier intended to support a transition to clean heating and transportation projects.

2. Is there a need for this bill? *Please explain why or why not.*

Yes. This bill addresses concerns in the region about Vermont's renewable energy credits, including concerns raised by Connecticut PURA. It also makes cost-effective progress toward Vermont's greenhouse gas and clean energy goals.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

The Department's existing staff will be tasked with helping to implement this bill, particularly in processes at the Public Service Board to appropriately measure and verify projects that would qualify for utility compliance.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

The Public Service Board would have some additional work and process to manage implementation. The Board has previously expressed support for transitioning from SPEED to an RPS or similar policy and is likely to support this legislation. This bill could lead to expanded weatherization efforts that could complement current low-income weatherization program.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? *(for example, public, municipalities, organizations, business, regulated entities, etc)*

This bill could lead to additional in-state renewable projects, raising some siting concerns from towns. Utilities are likely to be supportive of the bill based the fact that it provides flexibility and is cost-effective, while retaining the current ability to sell renewable energy credits to benefit ratepayers. Renewable Energy Vermont

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and environmental groups will be mostly supportive with certain caveats or concerns. Fuel Dealers likely neutral or supportive based on opportunity to partner with utilities for customer clean heating projects. AIV and Chamber of Commerce not opposed (yet...) but seem to want some greater certainty around cost caps.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

6.2 Who else is likely to oppose the proposal and why?

7. Rationale for recommendation: *Justify recommendation stated above.*

This bill will help Vermont avoid a potential 6% statewide rate impact if we were to lose the ability to sell into regional markets (currently a risk at least in CT). It will also make significant progress toward the state Comprehensive Energy Plan goal of 90% renewable energy by 2050 and the greenhouse gas emission reduction goal of 75% below 1990 levels by 2050. It does so while saving a net of \$275 million for Vermonters on energy costs, according to PSD modeling, and creating an additional 1,000 new jobs.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

We and other stakeholders will review bill language and offer recommendations to ensure it conforms as much as possible to the concept laid out by the Governor in his Inaugural Address. But no major specific changes proposed for now.

9. Gubernatorial appointments to board or commission? None necessary.

Secretary/Commissioner has reviewed this document:



Date: 3/6/15