SENATE COMMITTEE ON NATURAL RESOURCES & ENERGY
RECORD OF ACTION ON BILL

H 446 S _____ Title: Renewable energy and energy efficiency

Sponsor: House Natural Resources and Energy Committee

Date Voted Out 4/29/09 Date Reported 4/29/09 Reporter Sen. Lyons

Please attach a copy of the final draft as voted out

MEMBERS	VOTES OF THE COMMITTEE															
	BILL VOTED OUT		VOTE NO. 1 amendment #1 memorandum		VOTE NO. 2 amendment 1.2		VOTE NO. 3 amendment REV		VOTE NO. 4 Adopt 3.54		VOTE NO. 5 amend with 5.18		VOTE NO. 6		VOTE NO. 7	
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Hartwell	✓			✓	✓		✓		✓		✓					
McCormack	✓		✓		✓		✓		✓		✓					
Snelling	✓			✓	✓		✓		✓		✓					
MacDonald	absent															
Lyons	✓			✓	✓		✓		✓		✓					

Please List Votes Numerically

Final vote: 4-0-1 (Sen. MacDonald absent)

As passed by Sen. Nat. Res.

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TO THE HONORABLE SENATE

The Committee on Natural Resources and Energy, to which was referred House Bill H.446, entitled "An act relating to renewable energy and energy efficiency"

respectfully report that they have met and considered the same and recommend that the Senate propose to the House that the bill be amended as follows:

First: In Sec. 4, 30 V.S.A. § 8005(b)(2), in the third sentence, by inserting "10 to" after each occurrence of "shall be"

Second: In Sec. 4, 30 V.S.A. § 8005(b)(2)(A), by striking subdivision (v) in its entirety

Third: In Sec. 4, 30 V.S.A. § 8005(b)(2)(B)(i)(I), by striking the second sentence and inserting in lieu thereof:

In conducting such an economic analysis the board shall:

(aa) Include a generic assumption that reflects reasonably available tax credits and other incentives provided by federal and state governments and other sources applicable to the category of generation technology. For the purpose of this subdivision (2)(B), the term "tax credits and other incentives" excludes tradeable renewable energy credits.

(bb) Consider different generic costs for subcategories of different plant capacities within each category of generation technology.

Fourth: In Sec. 4, 30 V.S.A. § 8005(b)(2)(B)(i)(II), by inserting "on equity" after each occurrence of "return"

Fifth: In Sec. 4, 30 V.S.A. § 8005(b)(2)(B)(i)(III), after the words "such adjustment" by inserting "to the generic costs and rate of return on equity determined under subdivisions (2)(B)(I) and (II) of this subsection"

Sixth: In Sec. 4, 30 V.S.A. § 8005(b)(2)(C), in the first sentence, by inserting "on or before" after the first occurrence of "and"

Seventh: In Sec. 4, 30 V.S.A. § 8005(b)(2)(C), in the third sentence, by striking the word "subdivisions" and inserting in lieu thereof the word "subdivision" and by striking "–(iii)"

Eighth: In Sec. 4, 30 V.S.A. § 8005(b)(2)(C), in the third sentence, by striking "on March 1 of the following year" and inserting in lieu thereof "two months after the price has been reestablished"

Ninth: In Sec. 4, 30 V.S.A. § 8005(b)(2), by striking the new subdivision (E) in its entirety and by relettering subdivision (F) to be subdivision (E)

Tenth: In Sec. 4, 30 V.S.A. § 8005(b)(4), by inserting "and third party developer" after "provider"

Eleventh: In Sec. 4, 30 V.S.A. § 8005(g)(2), in the second sentence, by striking "July 15" and inserting in lieu thereof "September 30"

Twelfth: In Sec. 4, 30 V.S.A. § 8005(g), by inserting a new subdivision (4) to read:

(4) The SPEED facilitator shall transfer all capacity rights attributable to the plant capacity associated with the electricity purchased under standard offer contracts to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection.

Thirteenth: In Sec. 4, 30 V.S.A. § 8005(g), by renumbering the existing subdivision (4) as subdivision (5) and, in that subdivision, by striking "in accordance with the rate design otherwise applicable to costs included in that revenue requirement" and inserting in lieu thereof "as directed by the board"

Fourteenth: In Sec. 4, 30 V.S.A. § 8005(j), by striking "constitute combined heat and power, producing both electric power and thermal energy, with" and inserting in lieu thereof "have" and by striking "70" and inserting in lieu thereof "50"

Fifteenth: In Sec. 5, 10 V.S.A. § 6523(d)(4), after "may include" by inserting ", and in the case of subdivision (4)(E)(ii) of this subsection shall include continuous funding for as long as funds are available," and in subdivision (E), after "Vermont residences" by inserting ", institutions," and after "businesses" by inserting a colon followed by:

(i) generally; and

(ii) through the small-scale renewable energy incentive program

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Sixteenth: In Sec. 5, 10 V.S.A. § 6523(f), after the word "disbursed" by inserting "to achieve a savings goal of 10 million source BTUs per $1,000.00 spent and shall be disbursed"

Seventeenth: In Sec. 14, 30 V.S.A. § 209(h)(4)(B), by striking the second and third sentences and inserting in lieu thereof:

The board shall determine procedures for savings verification. Such procedures shall be consistent with savings verification procedures established for entities appointed under subdivision (d)(2) of this section.

Eighteenth: In Sec. 14, 30 V.S.A. § 209(h)(4)(C), (H), (I), and (K), by striking each occurrence of "department" and inserting in lieu thereof "board"

Nineteenth: In Sec. 14, 30 V.S.A. § 209(h)(4)(F), by inserting "board and" after the first occurrence of "the" and by striking the second occurrence of "department" and inserting in lieu thereof "board"

Twentieth: In Sec. 14, 30 V.S.A. § 209(h)(4)(G), in the first sentence, by striking "department shall report to the board and" and inserting in lieu thereof "board shall report to"

Twenty-first: In Sec. 14, 30 V.S.A. § 209(h)(4), by striking subdivision (J) in its entirety and relettering the remaining subdivisions (K), (L), (M), (N), and (O) to be (J), (K), (L), (M), and (N) respectively

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Twenty-second: In Sec. 14, 30 V.S.A. § 209(d)(4)(J) as renumbered by the 21st instance of amendment, in the second sentence, by striking "and the participant"

Twenty-third: In Sec 14, 30 V.S.A. § 209(d)(4)(K) as renumbered by the 21st instance of amendment, by striking "(h)(4)(K)" and inserting in lieu thereof "(h)(4)(J)"

Twenty-fourth: By striking Sec. 15 and inserting in lieu thereof Secs. 15 and 15a through 15k to read:

* * * Vermont Village Green Renewable Pilot Program * * *

Sec. 15. FINDINGS AND PURPOSE

The general assembly finds all of the following:

(1) The use of fossil fuels for heat and power contributes to emissions of greenhouse gases and climate change.

(2) Fossil fuel prices in recent years have been highly volatile, and significant potential exists for those prices to reach rates that are equal to or greater than the exceptionally high prices seen within the last few years.

(3) Payments for fossil fuels by Vermonters involve the movement of significant sums of money outside the state and the country to pay for heating fuel, draining Vermont's economy.

(4) The state of Vermont seeks to ensure that Vermonters obtain a greater measure of control over the environmental impacts of energy use and energy costs.

(5) The state of Vermont seeks to increase its efforts to limit its emissions of greenhouse gases.

(6) Community energy infrastructure that uses renewable fuels can reduce the environmental impacts of energy use and provide a community with the opportunity to obtain heat and potentially power at stable prices that reduce the economic risks associated with fossil fuels. Local energy purchases recirculate money in the Vermont economy and can provide businesses with competitive energy rates.

(7) The state of Vermont seeks to establish incentives for communities to host energy generation that is renewable and efficiently utilized and that provides heat and potentially power to groups of commercial, industrial, or residential uses, or combinations of such uses, within the community.

Sec. 15a. 30 V.S.A. chapter 93 is added to read:

CHAPTER 93. VERMONT VILLAGE GREEN RENEWABLE PILOT PROGRAM

§ 8100. DEFINITIONS

In this chapter:

(1) "Board" means the public service board created under section 3 of this title.

(2) "Certification" or "certified," except when part of the phrase "third party certified," refers to certification of a Vermont village green renewable project by the department under subsection 8101(b) of this title.

(3) "Combined heat and power " or "CHP" shall have the meaning stated in 10 V.S.A. § 6523(b), except that:

(A) CHP excludes facilities using fossil fuel.

(B) CHP using woody biomass as a fuel must achieve, for that fuel, no less than a 50-percent net annual efficiency of energy utilized and, during the heating season, a minimum energy conversion efficiency of 70 percent considering all energy inputs and outputs at normal load.

(4) "Department" means the department of public service created under section 1 of this title.

(5) "District heating" means a system for distributing heat generated in a centralized location within a host community to multiple residential, commercial, or industrial uses within that community or a combination of such uses. The source of heat may be a dedicated heat-only facility using renewable energy as a fuel or waste heat from electrical generation that uses renewable energy as a fuel to form a CHP system.

(6) "District power" means a system for distributing electricity generated in a centralized location within a host community to multiple residential, commercial, or industrial uses in that community or a combination of such uses. The electricity must be produced using renewable energy as a fuel source and may include CHP.

(7) "Host community" means the municipality in which a Vermont village green renewable project is to be located.

(8) "Renewable energy" shall have the meaning stated in 10 V.S.A. § 6523(b)(4), except that renewable energy using woody biomass as a fuel must achieve, for that fuel, no less than a 50-percent net annual efficiency of energy utilized and, during the heating season, a minimum energy conversion efficiency of 70 percent considering all energy inputs and outputs at normal load.

(9) "Vermont village green renewable project" means district heating, either with or without district power, to serve a downtown development district designated as such pursuant to 24 V.S.A. § 2793 or a growth center designated as such pursuant to 24 V.S.A. § 2793c. As long as the end uses served by the project are within such a district or center, the generation of heat and power may be outside the district or center.

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§ 8101. PILOT PROGRAM; CERTIFICATION

(a) The Vermont village green renewable pilot program is created to consist of no more than two Vermont village green renewable projects, one each in the city of Montpelier and in the town of Randolph. Another municipality may seek certification under this chapter in the event either the city of Montpelier or the town of Randolph or both decline to seek or are denied certification.

(b) On application of a host community, the department may certify a Vermont village green renewable project under this chapter on finding each of the following:

(1) The host community proposes a Vermont village green renewable project.

(2) The host community has submitted an application to the board that includes each of the following:

(A) A description and map of the proposed Vermont village green renewable project, showing its location within the host community.

(B) A complete description of the existing industrial, commercial, or residential uses to be served by the Vermont village green renewable project, of how the project will serve those uses, and of the billing, payment, and customer service arrangements.

(C) A letter submitted by the host community in support of the application and, if the host community has a town plan, the letter shall confirm that the proposed project is consistent with that plan.

(D) A letter issued by the appropriate regional planning commission indicating that the regional impacts of the proposed project and selected site have been considered and that the project conforms with the applicable regional plan.

(E) A letter from the Vermont downtown development board, as described under 24 V.S.A. § 2792(f), that the development board has been notified of the Vermont village green renewable project.

(3) The Vermont village green renewable project is consistent with the purposes of the clean energy development fund as established in 10 V.S.A. § 6523.

(4) The host community will invest in the Vermont village green renewable project the incentive created by the exemption from the sales and use tax provided under section 8102 of this title and has provided a plan that demonstrates that such investment will be made.

(5) The Vermont village green renewable project, if it uses woody biomass as a fuel, will use procurement standards, management practices, and a supply chain that are third party certified using a performance-based audit.

(6) The Vermont village green renewable project will comply with all applicable national ambient air quality standards and air pollution control regulations of the agency of natural resources. If, during 2009, the U.S. Environmental Protection Agency proposes updated emissions standards applicable to wood-fueled boilers to be used in connection with the project, the project shall comply with such proposed standards.

(7) The Vermont village green renewable project meets all applicable requirements of this chapter.

(c) Notwithstanding any other provision of law, certification under this section shall not be subject to the provisions of 3 V.S.A. chapter 25 and shall not be subject to appeal.

(d) A host community does not need to obtain certification unless it seeks its Vermont village green renewable project to be eligible for the sales and use tax exemption under section 8102 of this title or rates for electricity as provided under subsection 8104(c) of this title. Certification shall not be required to qualify for net metering under section 219a of this title.

§ 8102. SALES AND USE TAX EXEMPTION

All materials and equipment purchased for the construction and installation of a Vermont village green renewable project shall be exempt from the sales and use tax established under chapter 233 of Title 32. Such exemption shall apply only to equipment and materials, the primary purpose of which is use in

such construction and installation and shall not apply to materials and equipment purchased after the project goes into service. The commissioner of the department of taxes or the commissioner's designee may require that a host community file a certificate or affidavit of exemption, in the same manner as provided under 32 V.S.A. § 9745(a), with respect to materials and equipment for which exemption is claimed under this section.

§ 8103. HEAT AVAILABILITY

All of the heat generated by a Vermont village green renewable project shall be made available to the commercial, industrial, and residential users identified in the host community's application to the board under subsection 8101(b) of this title.

§ 8104. RATES FOR ELECTRICITY

(a) All or a portion of the electricity generated by a Vermont village green renewable project, if it includes district power, shall be made available to the commercial, industrial, and residential users identified in the host community's application to the board under subsection 8101(b) of this title.

(b) If a Vermont village green renewable project includes district power and does not qualify or opt for treatment as a net metering system under section 219a of this title:

(1) On petition of the host community, the board after notice and opportunity for hearing shall create a rate class for the commercial, industrial,

and residential uses served by the project, the rates for which class at a minimum shall be consistent with the following principle: An end user shall pay the same share of the distribution utility's fixed costs as a similar end user not served by the project.

(2) Excess electricity may be sold to the distribution utility at the market rate or by contract.

§ 8105. REPORTING

(a) A host community for which a Vermont village green renewable project has been certified under this chapter shall file a report to the board and the commissioner of public service by December 31 of each year following certification. The report shall contain such information as is required by the board and the commissioner. The report shall include at a minimum sufficient information for the commissioner of public service to submit the report required by subsection (b) of this section.

(b) Beginning March 1, 2010, and annually thereafter, the commissioner of public service shall submit a report to the senate committees on economic development, housing and general affairs, on finance, and on natural resources and energy, the house committees on ways and means, on commerce and economic development, and on natural resources and energy, and the governor which shall include an update on progress made in the development of the Vermont village green renewable projects authorized under this chapter. The

report also shall include an analysis of the costs and benefits of the projects as well as any recommendations consistent with the purposes of this chapter.

* * * Voluntary Energy Conservation * * *

Sec. 15b. 24 V.S.A. § 2291a is added to read:

§ 2291a. RENEWABLE ENERGY DEVICES

Notwithstanding any provision of law to the contrary, no municipality, by ordinance, resolution, or other enactment, shall prohibit or have the effect of prohibiting the installation of solar collectors, clotheslines, or other energy devices based on renewable resources. This section shall not apply to patio railings in condominiums, cooperatives, or apartments.

Sec. 15c. 24 V.S.A. § 4413(g) is added to read:

(g) Notwithstanding any provision of law to the contrary, a bylaw adopted under this chapter shall not prohibit or have the effect of prohibiting the installation of solar collectors, clotheslines, or other energy devices based on renewable resources.

Sec. 15d. 27 V.S.A. § 544 is added to read:

§ 544. ENERGY DEVICES BASED ON RENEWABLE RESOURCES

(a) No deed restrictions, covenants, or similar binding agreements running with the land shall prohibit or have the effect of prohibiting solar collectors, clotheslines, or other energy devices based on renewable resources from being installed on buildings erected on the lots or parcels covered by the deed

restrictions, covenants, or binding agreements. A property owner may not be denied permission to install solar collectors or other energy devices based on renewable resources by any entity granted the power or right in any deed restriction, covenant, or similar binding agreement to approve, forbid, control, or direct alteration of property with respect to residential dwellings. For purposes of this subsection, that entity may determine the specific location where solar collectors may be installed on the roof within an orientation to the south or within 45° east or west of due south, provided that this determination does not impair the effective operation of the solar collectors.

(b) In any litigation arising under the provisions of this section, the prevailing party shall be entitled to costs and reasonable attorney's fees.

(c) The legislative intent in enacting this section is to protect the public health, safety, and welfare by encouraging the development and use of renewable resources in order to conserve and protect the value of land, buildings, and resources by preventing measures which will have the ultimate effect, whether or not intended, of driving the costs of owning and operating commercial or residential property beyond the capacity of private owners to maintain. This section shall not apply to patio railings in condominiums, cooperatives, or apartments.

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* * * Clean Energy Assessment Districts * * *

Sec. 15e. FINDINGS

The general assembly finds that it is in the public interest for municipalities to finance renewable energy projects and energy efficiency projects in light of the goals set forth in section 578 of Title 10 (greenhouse gas reduction goals), section 580 of Title 10 (25 by 25 state goal), and section 581 of Title 10 (building efficiency goals).

Sec. 15f. 24 V.S.A. § 1751(3) is amended to read:

(3) "Improvement," shall include, apart from its ordinary signification~~,~~:

(A) ~~the~~ The acquiring of land for municipal purposes, the construction of, extension of, additions to, or remodeling of buildings or other improvements thereto, also furnishings, equipment or apparatus to be used for or in connection with any existing or new improvement, work, department or other corporate purpose, and also shall include the purchase or acquisition of other capital assets, including licenses and permits, in connection with any existing or new improvement benefiting the municipal corporation, and all costs incurred by the municipality in connection with the construction or acquisition of the improvement and the financing thereof, including without limitation capitalized interest, underwriters discount, the funding of reserves and the payment of contributions to establish eligibility and participation with

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respect to loans made from any state revolving fund, to the extent such payment is consistent with federal law;

(B) Pursuant to subchapter 2 of chapter 87 of this title, projects relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or to eligible energy efficiency projects undertaken by owners of real property within the boundaries of the town, city, or incorporated village. Energy efficiency projects shall be those that are eligible under section 3267 of this title.

Sec. 15g. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

* * *

(23) Acting individually or in concert with other towns, cities, or incorporated villages and pursuant to subchapter 2 of chapter 87 of this title, to incur indebtedness for or otherwise finance by any means permitted under chapter 53 of this title projects relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or to eligible energy efficiency projects undertaken by owners of real property within the boundaries of the town, city,

or incorporated village. Energy efficiency projects shall be those that are eligible under section 3267 of this title.

Sec. 15h. SUBCHAPTER DESIGNATION

24 V.S.A. chapter 87 §§ 3251–3256 shall be designated as:

Subchapter 1. General Provisions

Sec. 15i. 24 V.S.A. § 3252 is amended to read:

§ 3252. PURPOSE OF ASSESSMENTS

Special assessments may be made for the purchase, construction, repair, reconstruction, or extension of a water system or sewage system, or any other public improvement which is of benefit to a limited area of a municipality to be served by the improvement, including those projects authorized under subchapter 2 of this chapter.

Sec. 15j. 24 V.S.A. chapter 87, subchapter 2 is added to read:

Subchapter 2. Clean Energy Assessments

§ 3261. CLEAN ENERGY ASSESSMENT DISTRICTS; APPROVAL OF VOTERS

(a) The legislative body of a town, city, or incorporated village may submit to the voters of the municipality the question of whether to designate the municipality as a clean energy assessment district. In a clean energy assessment district, only those property owners who have entered into written

agreements with the municipality under section 3262 of this title would be subject to a special assessment, as set forth in section 3255 of this title.

(b) Upon a vote of approval by a majority of the qualified voters of the municipality voting at an annual or special meeting duly warned for that purpose, the municipality may incur indebtedness for or otherwise finance projects relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or to eligible projects relating to energy efficiency as defined by section 3267 of this title, undertaken by owners of real property within the boundaries of the town, city, or incorporated village.

§ 3262. WRITTEN AGREEMENTS; CONSENT OF PROPERTY OWNERS; ENERGY SAVINGS ANALYSIS

(a) Upon an affirmative vote made pursuant to section 3261 of this title and the performance of an energy savings analysis pursuant to subsection (b) of this section, an owner of real property within the boundaries of a clean energy assessment district may enter into a written agreement with the municipality that shall constitute the owner's consent to be subject to a special assessment, as set forth in section 3255 of this title. A participating municipality shall follow underwriting criteria, consistent with responsible underwriting and credit standards as established by the department of banking, insurance, securities, and health care administration, and shall establish other qualifying criteria to provide an adequate level of assurance that property owners will

have the ability to meet assessment payment obligations. A participating municipality shall refuse to enter into a written agreement with a property owner who fails to meet the underwriting or other qualifying criteria.

(b) Prior to entering into a written agreement, a property owner shall have an analysis performed to quantify the project costs and energy savings and estimated carbon impacts of the proposed energy improvements, including an annual cash-flow analysis. This analysis shall be conducted by the entities appointed as energy efficiency utilities under subdivision 209(d)(2) of Title 30, or conducted by another entity deemed qualified by the participating municipality. All analyses shall be reviewed and approved by the entities appointed as energy efficiency utilities.

(c) A written agreement shall provide that:

(1) the length of time allowed for the property owner to repay the assessment shall not exceed the life expectancy of the project. In instances where multiple projects have been installed, the length of time shall not exceed the average lifetime of all projects, weighted by cost. Lifetimes of projects shall be determined by the entities appointed as energy efficiency utilities under subdivision 209(d)(2) of Title 30 or another qualified technical entity designated by a participating municipality;

(2) At the time of a transfer of property ownership excepting foreclosure, the past due balances of any special assessment under this

subchapter shall be due for payment, but future payments shall continue as a lien on the property.

(3) A participating municipality shall disclose to participating property owners the risks associated with participating in the program, including risks related to the failure of participating property owners to make payments and the risk of foreclosure.

(d) A written agreement and the analysis performed pursuant to subsection (b) of this section shall be filed with the clerk of the municipality for recording in the land records of the municipality and shall be disclosed to potential buyers prior to transfer of property of ownership. Personal financial information provided to a municipality by a participating property owner or potential participating property owner shall not be subject to disclosure as set forth in subdivision 317(c)(7) of Title 1.

(e) At least 30 days prior to entering into a written agreement, the property owner shall provide to the holders of any existing mortgages on the property notice of his or her intent to enter into the written agreement.

(f) The total amount of assessments under this subchapter shall not exceed more than 15 percent of the assessed value of the property. The combined amount of the assessment plus any outstanding mortgage obligations for the property shall not exceed 90 percent of the assessed value of that property.

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(g) In the case of an agreement with the resident owner of a dwelling, as defined in section 103(v) of the federal Truth in Lending Act:

(1) the assessments to be repaid under the agreement, when calculated as the repayment of a loan, shall not violate chapter 4 of Title 9;

(2) the maximum length of time for the owner to repay the loan shall not exceed 20 years; and

(3) the maximum amount to be repaid for the project shall not exceed $30,000.00 or 15 percent of the assessed value of the property, whichever is less.

§ 3263. COSTS OF OPERATION OF DISTRICT

The owners of real property who have entered into written agreements with the municipality under section 3262 of this title shall be obligated to cover the costs of operating the district. A municipality may use other available funds to operate the district.

§ 3264. RIGHTS OF PROPERTY OWNERS

A property owner who has entered into a written agreement with the municipality under section 3262 of this title may enter into a private agreement for the installation or construction of a project relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or relating to energy efficiency as defined by section 3267 of this title.

§ 3265. LIABILITY OF MUNICIPALITY

(a) A municipality that incurs indebtedness for or otherwise finances projects under this subchapter shall not be liable for the failure of performance of a project.

(b) A municipality that incurs indebtedness for bonding under this subchapter shall pledge the full faith and credit of the municipality.

§ 3266. INTERMUNICIPAL AGREEMENTS

Two or more municipalities, by resolution of their respective legislative bodies or boards, may establish and enter into agreements for incurring indebtedness or otherwise financing projects under this subchapter.

§ 3267. ELIGIBLE ENERGY EFFICIENCY PROJECTS

Those entities appointed as energy efficiency utilities under subsection 209(d) of Title 30 shall develop a list of eligible energy efficiency projects and shall make the list available to the public on or before July 1 of each year.

§ 3268. RELEASE OF LIEN

(a) A municipality shall release a participating property owner of the lien on the property against which the assessment under this subchapter is made upon:

(1) Full payment of the value of the assessment; or

(2) Demand from a party who has filed an action for foreclosure on a participating property.

(b) If a municipality releases a participating property owner of a lien upon demand from a party who has filed an action for foreclosure and the participating property owner redeems the property, the municipality shall reinstate the lien on the property against which the assessment under this subchapter is made.

(c) Notice of the release or reinstatement of the lien shall be filed with the clerk of the municipality for recording in the land records of the municipality.

§ 3269. RESERVE FUND

(a) A participating municipality may create a reserve fund for use in the event of a foreclosure upon an assessed property. The reserve fund shall be funded by participating property owners at a level sufficient to provide for the payment of any past due balances on assessments under this subchapter and any remaining principal balances on those assessments in the event of a foreclosure upon a participating property.

(b) The reserve fund shall be capitalized in accordance with standards and procedures approved by the commissioner of banking, insurance, securities, and health care administration to cover expected foreclosures based on good lending practice experience.

(c) The municipality shall disclose in advance to each interested property owner the amount of that property owner's required payment into the reserve

fund. Once disclosed, the amount of the reserve fund payment shall not change over the life of the assessment.

Sec. 15k. 24 V.S.A. § 4592 is amended to read:

§ 4592. SUPPLEMENTARY POWERS

The bank, in addition to any other powers granted in this chapter, has the following powers:

* * *

(8) To the extent permitted under its contracts with the holders of bonds or notes of the bank, to consent to any modification of the rate of interest, time and payment of any installment of principal or interest, security or any other term of bond or note, contract or agreement of any kind to which the bank is a party; ~~and~~

(9) To issue its bonds or notes which are secured by neither the reserve fund nor the revenue bond reserve fund, but which may be secured by such other funds and accounts as may be authorized by the bank from time to time;

(10) To issue bonds, other forms of indebtedness, or other financing obligations for projects relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or to energy efficiency projects under subchapter 2 of chapter 87 of this title. Bonds shall be supported by both the general obligation and the assessment payment revenues of the participating municipality.

H.446: SUMMARY OF AMENDMENTS PROPOSED [illegible] SENATE NATURAL RESOURCES AND ENERGY

AMEND. NO.	BILL § NO.	SUMMARY OF AMENDMENT
1	4: 30 V.S.A. § 8005(b)(2)	More flexibility to the Public Service Board (PSB) on the term of standard offer contracts, which would be 10 to 20 years and, for solar, 10 to 25 years. Original bill required 20 years and, for solar, 25 years.
2, 3, 9	4: 30 V.S.A. § 8005(b)(2)(A), (B), (E)	Amends standard offer provisions regarding subtraction of tax credits and other incentives provided to plants that accept the offer. Instead of subtracting them on a plant-by-plant basis, the PSB would do so for each category of renewable technology based on generic assumption.
4, 5, 7	4: 30 V.S.A. § 8005(b)(2)(B), (C)	Technical corrections and clarifications to language as passed House.
6, 8	4: 30 V.S.A. § 8005(b)(2)(C)	Amendments to clarify that the PSB may update the standard offer prices more often than the two-year minimum required update.
10	4: 30 V.S.A. § 8005(b)(4)	Amendment to clarify that the PSB should encourage third party developer sponsorship of renewable energy projects, in addition to utility sponsorship of such projects.
11	4: 30 V.S.A. § 8005(g)(2)	Technical correction to conform date in this subsection to dates in subsection (b) as amended on House floor.
12	4: 30 V.S.A. § 8005(g)(4)	Amendment to require that, in addition to the electricity purchased under the standard offer program, the capacity rights associated with that electricity are transferred to the utilities.
13	4: 30 V.S.A. § 8005(g)(5)	Renumbers subdivision (4) as proposed by House to (5). Amends same language to allow the PSB flexibility in allocating the standard offer costs among a utility's ratepayers. This would allow high-volume users to request the PSB allocate a lower percentage of those costs to them.
14	4: 30 V.S.A. § 8005(j)	In connection with standard offer contracts, deletes requirement that wood biomass projects be combined heat and power and lowers required fuel efficiency from 70 to 50 percent.
15	5: 10 V.S.A. § 6523(d)	Amends the Clean Energy Development Fund (CEDF) provisions of H.446 to require continuous funding of the Vermont small-scale renewable energy incentive program, as long as funds are available.
16	5: 10 V.S.A. § 6523(f)	Amends the CEDF provisions to incorporate an energy savings goal per $1,000 spent of federal stimulus dollars for the state energy program, in accordance with Dept. of Energy guidance.
17	14: 30 V.S.A. § 209(h)	Regarding the self-managed energy efficiency program, requires verification of claimed energy savings according to the same procedures used for verifying Efficiency Vermont's savings claims.
18 – 23	14: 30 V.S.A. § 209(h)	Amendment to the self-managed energy efficiency program to require oversight by the PSB rather than the Department of Public Service (DPS).

AMEND. NO.	BILL § NO.	SUMMARY OF AMENDMENT
24	15, 15a	Add Vermont Village Green Renewable Pilot Program in lieu of green growth zone study.
24	15	Findings and purpose for pilot program.
24	15a : 30 V.S.A. chapter 93	Creates a Vermont Village Green Renewable Pilot Program to consist of two district heating projects using renewable fuels to serve end users in designated downtowns or growth centers in Montpelier and Randolph. Other municipalities may participate in the pilot if either or both of those towns decline. Projects may but do not have to include district power. If wood is used as fuel, the project must meet minimum fuel efficiency requirements. On certification by the DPS, the project is eligible for a sales and use tax exemption for materials and equipment used in construction and installation of the project and, if district power is included, special electric rates to be set by the PSB. Reporting requirements by the host community and DPS are included.
24	15 thru 15d	Adds the same language passed by the Senate in S.18 regarding voluntary energy conservation and renewable energy devices such as solar collectors and clotheslines.
24	15e thru 15k	Adds the same language passed by the Senate in S.54 regarding clean energy assessment districts.