

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.40 Name of Bill: An act relating to establishing a renewable energy standard and energy transformation program

Agency/ Dept: PSD Author of Bill Review: DARREN SPRINGER

Date of Bill Review: 6/5/15 Related Bills and Key Players _____

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.*

The bill remedies a problem with Vermont's current SPEED program that affects our ability to continue to sell renewable energy credits in the regional markets. These renewable energy credit sales currently provide our ratepayers \$50 million in annual revenue. SPEED allows projects to sell renewable energy credits out of state while still counting toward our in-state SPEED goals. The bill immediately eliminates the SPEED program.

The bill establishes a new renewable energy standard for Vermont that is in better harmony with our region by requiring renewable energy credit retirement to meet our program goals (55% total electric renewable by 2017 rising to 75% by 2032), a new distributed renewable requirement (1% of electric by 2017 rising to 10% by 2032, as subset of total renewable electric) and an innovative energy transformation program to help reduce cost and carbon emissions in the heating and transportation sectors. All of this is consistent with our Comprehensive Energy Plan.

The bill implements modest solar siting standards, all implemented via the Public Service Board with municipal input. The standards were result of compromise between Department, Renewable Energy Vermont, and League of Cities and Towns.

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

Without the bill we would not make progress toward our energy and climate goals, and we would potentially risk the loss of up to \$50 million in ratepayer revenues from sale of renewable energy credits. Connecticut completed a regulatory proceeding that stated there could be a statutory claim against Vermont renewable energy credit providers for "double-counting," but in same proceeding made clear that H. 40 would resolve the issue.

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

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The Department will need to expend staff hours to participate in Board rulemaking processes, and will have several new reporting requirements and tracking requirements. No new staff are needed to complete this work.

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 will need to expend staff hours to do rulemaking/orders, they were supportive of the legislation. ANR may have to continue to participate in 248 application proceedings, and VTrans was interested in supporting the bill due to focus on clean transportation options as a means for utilities to comply with the energy transformation 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)

Utilities and their ratepayers will benefit from preserving the ability to sell renewable energy credits, and will face some program implementation and some additional costs and benefits. All utilities supported the bill, some with caveats or requests that were mostly met during legislative process.

IBM supported the bill because it helps preserve a self-managed efficiency program so they don't have to pay into Efficiency VT when they transfer to GlobalFoundries.

Renewable Energy Vermont supported the bill and supported the distributed renewable and energy transformation programs in particular.

AIV got some changes made but never fully supported the bill.

The Vermont Chamber of Commerce supported the bill to preserve the ratepayer benefits for its members.

6. Other Stakeholders:

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

VNRC, VPIRG, CLF and Efficiency Vermont all supported the bill.

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

VT league of cities and towns wanted stronger solar siting provisions, but testified in favor of the compromise provisions included. Unclear if they support the bill or not.

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

This bill makes the most progress to-date on meeting the Governor's Comprehensive Energy Plan goals and Vermont's statutory carbon emissions reduction goals. The bill puts Vermont on track to achieve a quarter of our emission reduction goals by 2050, a big single step. The bill is estimated to create 1,000 net new jobs and save Vermonters a net of \$390 million on energy bills over its implementation through 2032. And the bill helps ratepayers by preserving our ability to sell renewable energy credits in the face of regional challenges to our current SPEED program.

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.*
No.

9. Gubernatorial appointments to board or commission?

Secretary/Commissioner has reviewed this document:



Date:

6/8/15

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