

From: Springer, Darren [Darren.Springer@state.vt.us]
Sent: Saturday, April 11, 2015 7:47 PM
To: Christopher Bray; Hopkins, Asa
Subject: RE: Meeting on H.40

Senator Bray,

Thank you for the context, and the opportunity to discuss H. 40 in Committee this week, as well as the informal conversation you have set up with Senator Snelling and Mark Whitworth. We look forward to the opportunity to provide information and let you know why we believe H. 40 is good energy policy legislation.

JFO/Tom Kavet have already looked at H. 40 for Ways and Means on the House side and produced a fiscal note. You can see the fiscal note on H. 40 here: http://www.leg.state.vt.us/jfo/fiscal_notes.aspx.

You can see a summary of the Department's rate analysis and other impacts in our 2 pager here:

<http://legislature.vermont.gov/assets/Documents/2016/WorkGroups/House%20Natural%20Resources/Bills/H.40/Witness%20Testimony/H.40~Darren%20Springer~Energy%20Innovation%20Program~1-23-2015.pdf>.

Tom Kavet finds in his memo, accurately, that modeling for energy policy includes making some challenging assumptions on data ranges, including energy price fluctuations, for example. He also, however, makes some key findings related to H.40 that we agree with.

First on page 4 Kavet points out that the REC program prescribed in H. 40 appears to be harmonized with the other states in New England, and we need that to retain the marketability of our RECs and avoid a potential 6% rate hike. After his memo, the Connecticut utility regulator issued their opinion which further vindicated that view, as Connecticut found there is no REC sales issue prior to 2017, however there could be an issue in 2017 based on SPEED, and they concluded that H. 40 would resolve the issue.

Second, Kavet's memo finds on page 5 "While program review is still ongoing, initial JFO analysis indicates significant net potential economic and environmental benefits from the program, subject to fuel price and other program performance assumptions." Kavet's memo appears to agree directionally with our analysis which indicates net savings of \$275 million for customers through H. 40 (primarily tier 3), and 15 million metric tons of greenhouse gas emissions reduction (about half of that through tier 3).

Kavet also points out that rigorous program review and auditing should be required, and the House led by Representative Hebert on Natural Resources and Representative Branagan on Ways and Means did work to include comprehensive annual cost/benefit analysis and projection requirements.

Thank you again, and I hope you have a good weekend and a good final few days of work on the water quality legislation.

Darren

From: Christopher Bray [cbray@sover.net]
Sent: Saturday, April 11, 2015 7:18 PM
To: Springer, Darren; Hopkins, Asa
Subject: Fwd: Meeting on H.40

Darren and Asa,

Please see correspondence below on assessing H.40 impacts — a conversation between Senator Snelling and me.

I wanted to give you a heads-up so that you can, perhaps, bring information that addresses her questions on Wednesday to our meeting (Snelling, Springer, Hopkins, Whitworth, Bray). If you

don't have the information for Wednesday, you can at least be prepared to address these questions — or even to speak to them before asked.

—Chris

Begin forwarded message:

Subject: Re: Meeting on H.40
From: dbsnelling@aol.com
Date: Apr 11, 2015 at 6:52:26 PM GMT-4
To: Christopher Bray <CBray@leg.state.vt.us>

Chris

Yes, do check with the House. I'm looking for "foregone revenues" over time, and impact on rates.

Thank you

Diane

Senator Diane Snelling
Serving Chittenden County
802-482-4382

On Apr 11, 2015, at 6:23 PM, Christopher Bray <CBray@leg.state.vt.us> wrote:

Diane,

Thank you for the timely questions—

DPS is bringing their own analysis — which differs from Mark's — and both sides believe that they have the correct numbers, so this should be an interesting discussion.

RE JFO/TAX

No, I haven't made any request yet.

Just be ensure that I don't make a request that doesn't address what you're alluding to, let me make sure that the request is the normal Fiscal Note request we traditionally make — e.g. "Please provide us with a fiscal note for H.40." Does that cover it, or did you have something else in mind?

I'll also double check that this wasn't already done on the House side or by Senate Finance in anticipation of receiving the bill.

—C

On Apr 11, 2015, at 5:13 PM, dbsnelling@aol.com
wrote:

Chris
Have you asked for a fiscal impact analysis from DPS
and from Joint Fiscal/ tax?
Thank you
Diane

Senator Christopher Bray

Addison County, Huntington & Buel's Gore

Chair, Senate Natural Resources and Energy—Room 8
Senate Government Operations
Vermont Telecommunications Authority

[Building Stronger Communities through Sustainable Local Economies](#)

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