

1 H.338

2 Introduced by Representatives Chesnut-Tangerman of Middletown Springs
3 and Yantachka of Charlotte

4 Referred to Committee on

5 Date:

6 Subject: Public service; renewable energy programs; Standard Offer Program;
7 hydroelectric plants

8 Statement of purpose of bill as introduced: This bill proposes to amend the
9 Standard Offer Program concerning existing small hydroelectric plants.

10 An act relating to the Standard Offer Program and hydroelectric plants

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 30 V.S.A. § 8005a(p) is amended to read:

13 (p) Existing hydroelectric plants. Notwithstanding any contrary
14 requirement of this section, no later than January 15, 2013, the Commission
15 shall make a standard offer contract available to existing hydroelectric plants in
16 accordance with this subsection.

17 (1) In this subsection:

18 (A) “Existing hydroelectric plant” means a hydroelectric plant of
19 five MW plant capacity or less that is located in the State, that was in service
20 as of January 1, 2009, that is a qualifying small power production facility

1 under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, and that does not have
2 an agreement with the Commission's purchasing agent for the purchase of its
3 power pursuant to subdivision 209(a)(8) of this title and Commission rules
4 adopted under subdivision (8). The term includes hydroelectric plants that
5 have never had such an agreement and hydroelectric plants for which such an
6 agreement has expired, ~~provided that the expiration date is prior to December~~
7 ~~31, 2015.~~

8 (B) "LIHI" means the Low-Impact Hydropower Institute.

9 (2) The term of a standard offer contract under this subsection shall be
10 10 or 20 years, at the election of the plant owner.

11 (3) Unless inconsistent with applicable federal law, the price of a
12 standard offer contract shall be ~~the lesser of the following~~ the sum of the
13 following elements:

14 ~~(A) \$0.08 per kWh, adjusted for inflation annually commencing~~
15 ~~January 15, 2013 using the CPI; or~~

16 ~~(B) The sum of the following elements:~~

17 ~~(i)(A)~~ (A) a two-year rolling average of the ISO New England Inc.
18 (ISO-NE) Vermont zone hourly locational marginal price for energy;

19 ~~(ii)(B)~~ (B) a two-year rolling average of the value of the plant's
20 capacity in the ISO-NE forward capacity market;

1 ~~(iii)~~(C) the value of avoided line losses due to the plant as a fixed
2 increment of the energy and capacity values;

3 ~~(iv)~~(D) a two-year rolling average of the market value of
4 environmental attributes, including renewable energy credits; and

5 ~~(v)~~(E) the value of a 10- or 20-year contract.

6 (4) The Commission shall determine the price to be paid under this
7 subsection (p) ~~no~~ not later than January 15, 2013.

8 (A)(i) Annually by January 15 commencing in 2014, the Commission
9 shall recalculate and adjust the energy, ~~and~~ capacity, and environmental
10 attribute elements of the price under ~~subdivisions (3)(B)(i) and (ii)~~ subdivision
11 (3) of this subsection (p). The recalculated and adjusted energy, ~~and~~ capacity,
12 and environmental attribute elements shall apply to all contracts executed
13 under this subdivision, whether or not the contracts were executed prior to the
14 adjustments.

15 (ii) the Commission may periodically adjust the value of
16 environmental attributes that are applicable to an executed contract based upon
17 whether the plant become certified by LIHI or loses such certification.

18 (B) With respect to the price elements specified in subdivisions
19 ~~(3)(B)(iii)~~(3)(C) (avoided line losses), ~~(iv) (environmental attributes)~~, and
20 ~~(v)~~(E) (value of long-term contract) of this subsection (p):

1 (i) These elements shall remain fixed at their values at the time a
2 contract is signed for the duration of the contract, ~~except that the Commission~~
3 ~~may periodically adjust the value of environmental attributes that are~~
4 ~~applicable to an executed contract based upon whether the plant becomes~~
5 ~~certified by LIHI or loses such certification.~~

6 (ii) The Commission annually may adjust these elements for
7 inclusion in contracts that are executed after the date any such adjustments are
8 made.

9 ~~(5) In addition to the limits specified in subdivision (3) of this~~
10 ~~subsection (p), in no event shall an existing hydroelectric plant receive a price~~
11 ~~in one year higher than its price in the previous year, adjusted for inflation~~
12 ~~using the CPI, except that if a plant becomes certified by LIHI, the~~
13 ~~Commission may add to the price any incremental increase in the value of the~~
14 ~~plant's environmental attributes resulting from such certification.~~

15 ~~(6)~~ Once a plant owner has executed a contract for a standard offer
16 under this subsection (p), the plant owner shall continue to receive the pricing
17 terms agreed on in that contract regardless of whether the Commission
18 subsequently changes any pricing terms under this subsection.

19 ~~(7)~~(6) Capacity of existing hydroelectric plants executing a standard
20 offer contract under this subsection shall not count toward the cumulative
21 capacity amount of subsection (c) of this section.

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on July 1, 2019.