

1 S.153

2 Introduced by Senator Rodgers

3 Referred to Committee on

4 Date:

5 Subject: Energy; renewable energy programs; Renewable Energy Standard;  
6 energy transformation category

7 Statement of purpose of bill as introduced: This bill proposes to reduce, for the  
8 period ending on December 31, 2032, the electric utilities' obligation under the  
9 energy transformation category of the Renewable Energy Standard; end that  
10 obligation on December 31, 2032; and remove the alternative compliance  
11 payment for that category.

12 An act relating to the energy transformation category of the Renewable  
13 Energy Standard

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

15 Sec. 1. 30 V.S.A. § 8004 is amended to read:

16 § 8004. SALES OF ELECTRIC ENERGY; RENEWABLE ENERGY  
17 STANDARD (RES)

18 (a) Establishment; requirements. The RES is established. Under this  
19 program, a retail electricity provider shall not sell or otherwise provide or offer  
20 to sell or provide electricity in the State of Vermont without ownership of

1 sufficient energy produced by renewable energy plants or sufficient tradeable  
2 renewable energy credits from plants whose energy is capable of delivery in  
3 New England that reflect the required amounts of renewable energy set forth in  
4 section 8005 of this title or without support of energy transformation projects  
5 in accordance with that section. A retail electricity provider may meet the  
6 required amounts of renewable energy through eligible tradeable renewable  
7 energy credits that it owns and retires, eligible renewable energy resources  
8 with environmental attributes still attached, or a combination of those credits  
9 and resources.

10 \* \* \*

11 (d) Alternative compliance payment. In lieu of purchasing renewable  
12 energy or tradeable renewable energy credits ~~or supporting energy~~  
13 ~~transformation projects~~ to satisfy the requirements of this section and section  
14 8005 of this title, a retail electricity provider in this State may pay to the  
15 Vermont Clean Energy Development Fund established under section 8015 of  
16 this title an alternative compliance payment at the applicable rate set forth in  
17 section 8005.

18 \* \* \*

1 Sec. 2. 30 V.S.A. § 8005 is amended to read:

2 § 8005. RES CATEGORIES

3 (a) Categories. This section specifies three categories of required resources  
4 to meet the requirements of the RES established in section 8004 of this title:  
5 total renewable energy, distributed renewable generation, and energy  
6 transformation.

7 \* \* \*

8 (3) Energy transformation.

9 (A) Purpose; establishment. This subdivision establishes an energy  
10 transformation category for the RES. This category encourages Vermont retail  
11 electricity providers to support additional distributed renewable generation or  
12 to support other projects to reduce fossil fuel consumed by their customers and  
13 the emission of greenhouse gases attributable to that consumption. A retail  
14 electricity provider may satisfy the energy transformation requirement through  
15 distributed renewable generation in addition to the generation used to satisfy  
16 subdivision (2) of this subsection (a) or energy transformation projects or a  
17 combination of such generation and projects.

18 (B) Required amounts. For the energy transformation category, the  
19 required amounts shall be two percent of each retail electricity provider's  
20 annual retail electric sales during the year ~~beginning January 1, 2017;~~  
21 ~~increasing by an additional~~ and shall be two-thirds of a percent of such sales

1 each subsequent ~~January 1 until reaching 12 percent on and after January 1,~~  
2 year through the end of 2032. However, in the case of a provider that is a  
3 municipal electric utility serving not more than 6,000 customers, the required  
4 amount shall be two percent of the provider's annual retail sales ~~beginning on~~  
5 January 1, during the year 2019, increasing by an additional and shall be two-  
6 thirds of a percent of such sales each subsequent ~~January 1 until reaching 10~~  
7 and two thirds percent on and after January 1, year through the end of 2032.  
8 Prior to January 1, 2019, such a municipal electric utility voluntarily may  
9 engage in one or more energy transformation projects in accordance with this  
10 subdivision (3).

11 (C) Eligibility criteria. For an energy transformation project to be  
12 eligible under this subdivision (a)(3), each of the following shall apply:

13 (i) Implementation of the project shall have commenced on or  
14 after January 1, 2015.

15 (ii) Over its life, the project shall result in a net reduction in fossil  
16 fuel consumed by the provider's customers and in the emission of greenhouse  
17 gases attributable to that consumption, whether or not the fuel is supplied by  
18 the provider.

19 (iii) The project shall meet the need for its goods or services at the  
20 lowest present value life cycle cost, including environmental and economic

1 costs. Evaluation of whether this subdivision (iii) is met shall include analysis  
2 of alternatives that do not increase electricity consumption.

3 (iv) The project shall cost the utility less per MWH than the  
4 ~~applicable~~ alternative compliance payment rate for the distributed renewable  
5 generation category.

6 \* \* \*

7 (4) Alternative compliance rates.

8 (A) The alternative compliance payment rates for the categories  
9 established by this subsection (a) shall be:

10 (i) total renewable energy requirement - \$0.01 per kWh; and

11 (ii) distributed renewable generation ~~and energy transformation~~  
12 ~~requirements~~ requirement - \$0.06 per kWh.

13 (B) The Commission shall adjust these rates for inflation annually  
14 commencing January 1, 2018, using the CPI.

15 \* \* \*

16 Sec. 3. EFFECTIVE DATE

17 This act shall take effect on passage.