

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 17-5257-INV

In re: review of the standard-offer program

Order entered: 06/21/2018

NOTICE OF WORKSHOP

On December 29, 2017, the Vermont Public Utility Commission (the “Commission”) opened a proceeding to review the effectiveness of the standard-offer program. The Commission requested comments from stakeholders about the following issues:

1. Should the Commission be selecting projects in the Request for Proposals (“RFP”) process using additional criteria besides price? For example, should the Commission develop a method for adjusting bid prices to reflect the costs or benefits associated with interconnecting a distributed energy resource at a particular location on the grid?
2. What data should the Vermont distribution utilities be making available to ensure that standard-offer projects are proposed in areas that do not result in additional costs to the system or that provide the greatest benefit to the system?
3. Should the Commission alter its process for identifying projects that would offer “sufficient benefits” pursuant to Section 8005a(d)(2)? For example, should the Commission develop a method for determining the value of a proposed distributed energy resource and offer contracts where the estimated value of benefits offered by a project exceeds the cost of the project? The Benefit Cost Analysis Framework adopted by the New York Public Service Commission is one example of a method to value the costs and benefits of distributed energy resources.
4. Should the Commission develop criteria to allow distributed generation projects with storage capacity to participate in the standard-offer program?
5. In certain circumstances, the program incurs transmission service costs (also referred to as “wheeling”) because the output of standard-offer projects must be allocated to several of the Vermont electric distribution utilities. Should the Commission adopt program requirements to reduce the cost of transmission service associated with standard-offer projects?
6. Are there any statutory changes that the Commission should recommend to the Legislature to improve the standard-offer program? For example, what recommendations

should the Commission make regarding the ability of distribution utilities to seek exemptions from the program pursuant to 30 V.S.A. § 8005a(k)(2)(B)?

The Commission received responses from the Vermont Department of Public Service (the “Department”), Green Mountain Power Corporation, Vermont Electric Cooperative Inc., Washington Electric Cooperative, Inc., Vermont Electric Power Company, VEPP Inc., Allco Renewable Energy Limited, Vermonters for a Clean Environment, and the Vermont Agency of Natural Resources. Among the issues raised in these comments, two are the subject of the workshop announced in this order. First, some participants questioned the role of the standard-offer program in the context of Vermont’s Renewable Energy Standard (“RES”). For example, the Department suggested that the Commission should consider “what role the Standard Offer Program plays in Vermont’s renewable energy policy landscape and whether to recommend to the legislature that the program be allowed to sunset when the 127.5-MW cumulative plant capacity is reached or sooner.”

This question should be discussed before committing significant resources to develop a method for assessing the locational benefits of standard-offer projects. In addition, pursuant to Section 25 of Act 53 of 2017, the Commission must submit a report to the General Assembly concerning the exemption provided by Section 8005a(k)(2)(B). These issues should be discussed now so that the Commission may submit the required report to the General Assembly prior to the 2019 session.

Several stakeholders also expressed concern about the fact that several standard-offer projects have been delayed or abandoned. Therefore, it is appropriate to gather information about how other states implement similar renewable energy programs. This information may prove helpful in developing strategies to increase the effectiveness of the standard-offer program.

Accordingly, participants are hereby given notice that a workshop will be held on **August 2, 2018, at 1:00 PM** in the Susan M. Hudson Hearing Room at 112 State Street in Montpelier, Vermont. The purpose of the workshop will be to discuss what recommendations, if any, the Commission should make to the General Assembly concerning the future of the standard-offer program. Staff from Lawrence Berkley National Laboratory (“LBNL”) will give a presentation about the experiences of other states that use competitive solicitations to procure renewable energy, including strategies to ensure that winning projects are constructed in a timely manner.

There will also be a presentation about a potential evaluation method that considers bulk power market impacts. This presentation will be followed by a discussion about whether any these strategies can be applied to the standard-offer program.

SO ORDERED.

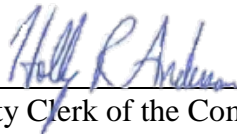
Dated at Montpelier, Vermont, this 21st day of June, 2018.



Jake Marren
Hearing Officer

OFFICE OF THE CLERK

Filed: June 21, 2018

Attest: 

Deputy Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

PUC Case No. 17-5257-INV - SERVICE LIST

Sheila M. Grace, Esq.
Vermont Department of Public Service
112 State Street, 3rd Floor
Montpelier, VT 05620-2601
sheila.grace@vermont.gov

(for Vermont Department of Public Service)

Joanna White
Vermont Department of Public Service
112 State Street
3rd Floor
Montpelier, VT 05620-2601
joanna.white@vermont.gov

(for Vermont Department of Public Service)

Carolyn M.X. Alderman, Esq.
VEPP Inc.
P.O. Box 1938
Manchester Center, VT 05255
carolyn@veppi.org

DePillis Alex
Agency of Agriculture Food & Markets
116 State Street
Drawer 20
Montpelier, VT 05620-2901
Alex.DePillis@vermont.gov

Olivia Andersen
Renewable Energy Vermont
P.O. Box 1036
Montpelier, VT 05601
Olivia@revermont.org

Melissa Bailey
Vermont Public Power Supply Authority
P.O. Box 126
5195 Waterbury-Stowe Road
Waterbury Center, VT 05677
mbailey@vppsa.com

Victoria J. Brown, Esq.
Vermont Electric Cooperative, Inc.
42 Wescom Road
Johnson, VT 05656
vbrown@vermontelectric.coop

William Coster
1 National Life Drive
Davis 2
Montpelier, VT 05620
billy.coster@vermont.gov

Phillip Foy
Encore Renewable Energy
110 Main Street, Suite 2E
Burlington, VT 05401
phillip@encorerenewableenergy.com

Deena Frankel
Vermont Electric Power Company
dfrankel@velco.com

Thomas T. Garden
Triland Partners LP
44 Indian Rock Road, #777
Windham, NH 03087
tgarden@trilandpartners.com

Pete Giese
pdgiese@gmail.com

Thomas J. Hand
thomasjhand@gmail.com

Kimberly K. Hayden, Esq.
Paul Frank + Collins PC
One Church Street 05402
P.O. Box 1307
Burlington, VT 05401
khayden@pfclaw.com

William King
Alternative Energy Development Group, LLC
1055 Westlakes Drive, Suite 140
Berwyn, PA 19312
wking@aedgonline.com

Alexander G. Lewis, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
91 College Street
P.O. Box 545
Burlington, VT 05402-0545
alewis@dunkielsaunders.com

Anne Margolis
Vermont Department of Public Service
Department of Public Service
112 State St
Montpelier, VT 05620-2601
anne.margolis@vermont.gov

Michael Melone, Esq.
Allco Renewable Energy Limited
1745 Broadway
17th floor
New York, NY 10019
mjmelone@allcous.com

Thomas Melone, Esq.
Allco Renewable Energy Limited
1745 Broadway
17th floor
New York, NJ 10019
thomas.melone@gmail.com

Patricia Richards
Washington Electric Cooperative, Inc.
P.O. Box 8
East Montpelier, VT 05651
patty.richards@wec.coop

Matthew Rubin
VT Independent Power Producers
26 State Street
Montpelier, VT 05602
m@mrubin.biz

William F Scully
Hoosic River Hydro
14 Pleasant Street
PO Box 338
North Bennington, VT 05257
wfscully@gmail.com

Ronald A. Shems, Esq.
Diamond & Robinson, P.C.
P.O. Box 1460
Montpelier, VT 05601-1460
ras@diamond-robinson.com

Annette Smith
Vermonters for a Clean Environment, Inc.
789 Baker Road
Danby, VT 05739
vce@vermontel.net

Melissa Stevens
Green Mountain Power Corporation
2152 Post Road
Rutland, VT 05701
melissa.stevens@greenmountainpower.com

Vermont Electric Distribution Utilities

E-mail list for Docket 8817