

1. The proceeding should consider, at a high level, 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. Alternatively, the Program could be very significantly reformed and continued.

~~2.~~ Should the Commission be selecting projects in the RFP process using additional criteria besides price? For example, should the Commission develop a method for adjusting bid prices to reflect the location or time-specific value of energy delivered, with a focus on the obtaining the greatest grid and system benefits?~~costs or benefits associated with interconnecting a distributed energy resource at a particular location on the grid?~~

~~3.~~ What data should be provided, and by whom ~~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.~~ ~~Given flat to declining loads,~~ Should the Commission ~~alter its process for identifying projects that would offer~~ recommend the elimination of “sufficient benefits” pursuant to Section 8005a(d)(2), which allows for projects with “sufficient benefits” to be allowed outside of the capacity cap? ~~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.~~

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~~4.~~ Should the Commission develop criteria to ~~allow distributed generation projects with storage capacity to participate in the standard offer program~~ incent projects which deliver energy at times of the day that are particularly useful, for example resources that can target monthly and annual peaks?

6. 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 review the current allocation method used to determine wheeling charges?

~~5.~~ 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

8. Legislature to improve the standard-offer program? For example:

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- a. 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)?
- b. Whether to recommend elimination of the 30 V.S.A. § 8005a(d)(2) provision allowing for projects that offer “sufficient benefits” to be constructed above the cap.
- c. Whether to recommend raising the individual project size limitation from 2.2 MW to 5 MW, commensurate with the RES Tier 2 size limitation and allowing for economies of scale.
- d. Whether to recommend eliminating the technology allocations requirement, § 8005a(c)(2).¹
- e. Whether to recommend modification of § 8005a(f)(3) which requires resetting caps *annually*. This provision is administratively burdensome and provides little value above resetting the caps every two or even three years (perhaps escalated by inflation between full reviews).²
- f. Whether recommend modification of § 8005a(f)(4), which requires prices to be set for the duration of the contract, to allow contract prices to include variation at some point. For example, for the price to be set for a ten-year period then reset to time-varied pricing after ten years.

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¹ Note that if this section were eliminated that § 8005a(f) would need to be modified.

² Modification of this provision may also require modification § 8005a(p)(4)(A) and (B) which requires the energy and capacity prices in caps to be reset annually, and allow avoided line losses, environmental attributes, and the value of long-term contracts to be reset annually for existing hydro.