

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 24-3359-INV

Investigation of the standard-offer contract between Vermont Renewable Gas, LLC and the Standard Offer Facilitator	
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GREEN MOUNTAIN POWER’S REPLY BRIEF

On January 23, 2025, Green Mountain Power (“GMP”) provided a response to the Vermont Public Utility Commission’s (“Commission”) November 7, 2024 Request for Briefing in the above-captioned matter. In its response, GMP addressed the issues highlighted by the Commission relating to whether Vermont Renewable Gas, LLC’s (“VRG”) proposed project is properly considered a plant “using methane derived from an agricultural operation” as contemplated by 30 V.S.A. §§ 248, 8002(21), and 8005a.

As discussed in GMP’s initial filing, it is not apparent that VRG’s proposed Project is consistent with the statutory intent set forth in “the portions of 30 V.S.A. §§ 248, 8002(21), and 8005a that deal with renewable energy plants using methane derived from an agricultural operation.”¹ Additionally, given the legislative intent discussed in GMP’s initial filing and the associated high cost of farm methane projects for Vermont customers, it is not clear the Legislature intended to extend the benefits of this standard offer category to plants that are not deeply integrated into and supporting existing farm operations.

On January 23, 2025 the Vermont Department of Public Service (“Department”) filed its brief in response to the Commission’s request, followed by the Agency of Agriculture, Food, and Markets (“AAFM”) on January 27, 2025. The briefs of the Department and AAFM provide helpful additional context regarding this project and shed additional light on how the

¹ PUC Order (Nov. 7, 2024) at 8.

Commission should construe the definition of an “agricultural operation” for purposes of considering eligibility for the farm methane category.

AAFM explains that the creation of wood products and/or waste is typical of many Vermont farming activities and that such resultant “feedstock” can be said to have derived from an “agricultural operation” to the extent that it is used for farm operations.² AAFM provides examples:

Accordingly, to the extent farms harvest trees and use the resulting products and/or waste for their farm operations, AAFM believes the resultant “feedstock” is necessarily derived from an “agricultural operation.” Similarly covered activities on a farm could include cutting and splitting wood to heat farm structures and infrastructure, harvesting wood to build farm structures or fences, chipping wood for animal bedding, and managing riparian forest buffers important to protect farm water quality.³

In contrast, AAFM states that it does not consider “timber harvested from a farm for activities not directly related to ‘farming’ activities”⁴ a feedstock that is derived from an “agricultural operation”:

First, AAFM does not consider logging for non-farm purposes to constitute “farming” within the meaning of 10 V.S.A. § 6001(22). AAFM does not merge or conflate the terms “farming” and “logging” within the cited Act 250 definition of “farming,” because Act 250 separately describes “logging,” “forestry,” and “farming.” This differentiation suggests that while the terms may overlap, they are not synonymous. Moreover, while AAFM regulates “farming,” it does not regulate “logging” or “forestry” that is unrelated to farming activities.⁵

AAFM states that, while the growth and management of trees on farm parcels may constitute “farming,” its position is that “logging and forestry activities unrelated to farming activities” are

² Agency Of Agriculture, Food and Markets’ Brief Related To Feedstock Derived From “Farming” and an “Agricultural Operation” at 7.

³ *Id.* at 7.

⁴ *Id.* at 7.

⁵ *Id.* at 8.

not “properly construed as ‘farming’ under 10 V.S.A. 6001(22).”⁶ An “agricultural operation,” according to AAFM, “necessarily engages in ‘farming.’”⁷

The above analysis provides a helpful framework for considering the eligibility of the Project in this case. Even if a Project like the one proposed here qualified under the other statutory definitions discussed in prior briefing, it appears from testimony provided by VRG that most of the feedstock proposed here would constitute timber harvesting that is “not directly related to ‘farming’ activities.”⁸

VRG proposes that 49% of the feedstock for the Project will be derived from non-farm sources and the remaining 51% will include the following:

- 1) wood fiber and wood fiber byproducts from Christmas tree, maple sap, horticultural, and orchard crop production, 2) wood fiber from timber grown and harvested as short-rotation tree crops grown for energy production, 3) wood fiber from timber purposefully harvested from woodlots on farms and grown for energy production, and 4) wood fiber byproducts from timber grown and harvested from woodlots on farms.”⁹

The first category here, which appears to be “related to farming activities,” accounts for only about 15% of the feedstock for the Project (30% of the 51%). The remaining categories 2 through 4 above are not clearly related to a farming activity unless all logging on a farm can be considered a “farming activity.” Accordingly, based on the information currently available about these potential feedstock sources it is not clear these feedstocks can be considered an “agricultural product” derived from an “agricultural operation” as contemplated in 30 V.S.A. §§ 8005a, 8002.¹⁰

⁶ *Id.* at 9.

⁷ *Id.* at 9.

⁸ *Id.* at 7.

⁹ Dell’Olio pf. (12/12/24) at 20.

¹⁰ GMP has not evaluated whether the plant would be considered “renewable energy” under 30 V.S.A. § 8002(21) even if these feedstocks were considered an “agricultural product.” Renewable energy is defined as “energy produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate.” To the extent that feedstocks for the farm methane category rely almost entirely on

For the reasons expressed in the Department and AAFM’s briefing on this matter, as well as those set forth in GMP’s initial response to the Commission’s briefing request, it is not clear this Project fits within the standard offer program. GMP appreciates the parties’ consideration of this Project and stands prepared to review additional information, if provided by VRG, and respond to any further requests from the Commission.

DATED at Burlington, Vermont, on this 13th day of February, 2025.

GREEN MOUNTAIN POWER

By: /s/Owen J. McClain
Owen J. McClain, Esq.
SHEEHEY FURLONG & BEHM P.C.
30 Main Street, 6th Floor
P.O. Box 66
Burlington, VT 05402
omclain@sheeheyvt.com

silvicultural activities and waste, including crops that are grown for the purpose of consuming them, it seems reasonable to require that a project demonstrate the overall effect of the harvesting practices is consistent with the expectation that resources are not consumed at a higher rate than the “natural generation rate.”