STATE OF VERMONT
PUBLIC UTILITIES COMMISSION

Case No. 24-3359-INV

Investigation of the standard-offer contract between Vermont Renewable Gas, LLC and the Standard Offer Facilitator	))))

SECOND SUPPLEMENTAL TESTIMONY OF EVAN DELL'OLIO ON BEHALF OF

VERMONT RENEWABLE GAS, LLC

Mr. Dell'Olio's testimony responds to factual issues and conclusions presented by the Proposal For Decision Addressing Standard-Offer Contract Eligibility.

Q1: Please state your name and position relative to this Petition.

A1: My name is Evan Dell'Olio. I am a Manager of Vermont Renewable Gas, LLC, ("VRG").

Q2: Have you already submitted prefiled testimony in this matter?

A2: Yes, I submitted prefiled testimony on December 12, 2024 and February 13, 2025.

Q3: What is the purpose of your testimony?

A3: My testimony responds to address various conclusions within the Proposal For Decision Addressing Standard-Offer Contract Eligibility ("Proposal for Decision").

Q4: How does the majority of VRG's proposed feedstock meet the definition of being "derived from an agricultural operation?"

A4: An "agricultural operation" includes any managed activity on land used for commercial production of agricultural goods, including food, fiber, and fuel as well as supportive activities necessary to sustain a working farm. This encompasses, cultivated croplands, pasturelands, orchards, maple sugarbushes, Christmas tree farms, and woodlots managed by farmers as part of their diversified land use.

VRG can meet 51% of its needs for woody biomass using woody material culled in the process of management of various agricultural commodities including Christmas trees, maple sap, and orchard crop – all included in the category that the Proposal for Decision

defines as derived from agriculture. The management of land and trees for production of these crops requires thinning and pruning of vegetative wastes which are suitable for production of methane. VRG proposes, however, to source only 30% of VRG's proposed agricultural feedstocks from this category to allow for a broader source of supply, both for the benefit of VRG's operations and also for the farmers who will provide this material, because many farms produce a greater volume of woody biomass from other categories.

For instance, 70% of VRG's proposed agricultural feedstocks are targeted to come from either short-rotation "fiber crops" (a term commonly used to describe wood products derived from trees and shrubs) such as shrub willow and poplar, or managed woodlots on farms where hardwood and softwood low-value timber or wood byproducts may be harvested for conversion to methane. The use of this category of farm products and byproducts not only would provide VRG greater flexibility in meeting its feedstock needs, but will provide much needed income to farmers.

For context in understanding the opportunity for farmers to benefit from VRG's use of a broader category of woody biomass in its process, it is helpful to know that, in Vermont, over 50% of land comprising farms consists of managed woodlands. Such land is managed both for conservation and economic purposes such as timber, firewood, or value-added products like maple syrup or harvested tree crops. When farmers harvest

trees or undertake thinning as part of forest stewardship or to support forest crop production, the resulting wood residues are a byproduct of active farm management – not unlike corn stover or manure from livestock. Additionally, many farmers are tasked with returning lands which for property tax purposes may be classified under the state's Current Use Program as "idle agricultural land" to production of row crops, pasture, or other uses. Trees harvested in the return of such land to agricultural production are directly tied to the management of the farm for crop production and so constitute "farming."

Q5. **For what other reasons might farms manage trees on their agricultural lands?**

A5. There are several reasons a farm might manage trees on their agricultural lands, including stands of timber. Unmanaged forests adjacent to cropland and pastureland accumulate woody debris, dense underbrush, overstocking of diseased and dying trees, and ladder fuels – which dramatically increase the risk of wildfires spreading into farm fields, barns, and infrastructure. Fuel management (thinning, harvesting, or clearing of timber) creates defensible space – a standard practice recommended by state and federal fire services. Additionally, insects and pathogens like spruce budworm, emerald ash borer, or fungal blights can rapidly spread from unmanaged forests to tree crops (e.g. orchards, Christmas

trees, and maple sugarbushes). Infestations in forests can serve as reservoirs of pests that then move into high-value agricultural crops. Another strong reason for thinning overgrown timber stands is that they often harbor large populations of deer, bear, or smaller mammals that trample or graze on farm crops, damage fencing, or disturb livestock. Thinning and harvesting operations discourage wildlife over-concentration and reduce wildlife conflict in the growing of crops. Moreover, well-managed woodlots can be used as intentional windbreaks to protect crops from wind stress and erosion – but only if kept healthy and structurally sound. Storm-damaged or decaying trees can fall and damage fencing, equipment, or crops – managed woodlots help reduce this hazard. Invasive plant control is another consideration. Forest edges are often vulnerable to invasive plants like Japanese knotweed or honeysuckle . These spread aggressively from unmanaged lots and reduce soil quality or outcompete field crops. Timber management can help monitor and suppress these invasives at the woodland-field interface. Soil and water conservation is another prominent example. Thinning overcrowded stands can reduce erosion, improve groundwater recharge, and help protect downstream water quality by maintaining a healthy forest canopy. This flow of clean water is vital for farm systems. Unmanaged lots may suffer blowdowns or gullying that release silt into farm fields and waterways making such field unproductive for the growing of crops. Moreover, farmers increasingly manage their forested woodlots as a key part of adapting to climate change on the farm. Well-managed woodlots enhance water retention, reduce, runoff, and provide natural buffers against extreme weather events impacting the farm

and its community – including flooding – that are becoming far too frequent in Vermont. In these ways, forestry is not only a source of supplemental farm income, but a critical tool for climate resilience on the farm and long-term land stewardship.

Finally, timber products diversify farm revenue. Sawlogs, pulpwood, and biomass – often make up part of a farm's economic sustainability in Vermont (See also Direct Prefiled Dell'Olio 12.12.24 at 16). Farmers may practice agroforestry or rotational timber harvesting as long-term crop planning strategies.

In all, these points are offered to demonstrate that forest management is not incidental to farming in Vermont – it is essential. The definition of an "agricultural operation" should therefore recognize integrated woodlot management as a valid and essential need in the raising of crops and livestock on Vermont farms much the same as animal waste management is an essential component of livestock operations.

Q6. If the Commission subscribes to a stricter definition of constitutes an Agricultural Operation, can VRG comply with such restrictions?

A6. While seeking the ability to draw on a broader range of feedstock materials as described above, VRG has ample options to comply with the narrower definition of what constitutes feedstock "derived from an agricultural operation" stated by the Hearing

Officer in the Proposal for Decision, including cuttings or trimmings associated with the production of Christmas trees, maple sap, orchard crops, and dedicated fiber crops. VRG could limit its feedstock sourcing to these specific farming activities if requested to do so by the Commission and can work with the Agency of Agriculture, Food, and Markets and the Agency of Natural Resources to agree to specific parameters regarding the appropriate conditions. While VRG seeks the option to use a mix of agriculturally derived feedstocks to include material sourced from forestry activities integrated within agricultural operations as part of its feedstock pool, VRG could successfully operate its facility if required to demonstrate that that 51% of its facility feedstock must be derived from agricultural operations as defined in the Proposal for Decision.

Q7: Does this conclude your testimony?

A7: Yes

Evan Dell'Olio

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DECLARATION OF EVAN DELL'OLIO

I declare that the testimony and exhibits that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

Dated at Ludlow, Massachusetts this 19th day of June, 2025.

Evan Dell'Olio

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Evan Dell'Olio