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Comments Submitted to the Vermont Department of Public Service

Relating to 18-3810-INV

### **The National Biodiesel Board**

The National Biodiesel Board (NBB) is the national trade association that represents the biodiesel and renewable hydrocarbon diesel industries as the coordinating body for research and development in the U.S. It was founded in 1992 and has developed into a comprehensive association that coordinates and interacts with industry, government and academia. NBB's membership is comprised of biodiesel producers, feedstock and feedstock-processor organizations, fuel marketers and distributors, and technology providers.

### **Comments**

We would like to offer a suggestion that the January 29th meeting include a meaningful discussion of the Tier 3 component of the Renewable Energy Standard, including the fact that nearly all Tier 3 utility obligations have thus far been fulfilled through electrification measures, to the exclusion of renewable fuel measures.

The original legislation for the Vermont Renewable Energy Standard envisioned a balanced portfolio of renewable thermal and transportation measures under the Tier 3 portion of the standard. Contrary to the intent of the legislation, there has been, in fact, very little interest shown by the electric utilities in implementing non-electrification measures.

We would therefore recommend that the meeting on January 29th include a discussion of a modification to the RES implementation process under which the PUC would require the utilities to use open, competitive solicitations, with PUC oversight of the solicitation and proposal review process, to determine which Tier 3 measures are actually implemented.

We would recommend that the Tier 3 selection process be based on the expected economic cost/benefit characteristics (\$ per MWh) of energy savings for proposed measures, in accordance with the technical guidance of the Vermont Energy Investment Corporation.

We would further recommend that the PUC require electric utilities to fulfill their obligations through procurements with third parties for the fulfillment of all or most of their Tier 3 obligations.

Along with the requirement that Tier 3 obligations be fulfilled using "arms length" transactions, we recommend that the PUC implement oversight of utility funding of measures to ensure that there is proper differentiation in the use of shareholder vs. ratepayer funds for the implementation of electrification measures.

Thank you very much for your consideration of the above recommendations.

### **Conclusion**

The National Biodiesel Board urges the Vermont Department of Public Service to recognize and implement a greater role for biodiesel under Tier 3 of the Renewable Energy Standard. Biodiesel can enable Vermont to achieve environmental sustainability while realizing the economic benefits that come from new job creation and reduced dependence on foreign oil.

The National Biodiesel Board would be pleased to work with the Vermont Department of Public Service to further explore the issues that we have described above.

Sincerely,



Raymond J. Albrecht, P.E.  
Technical Representative