

March 28, 2019

Judith Whitney, Clerk  
Vermont Public Service Board  
112 State Street  
Montpelier VT 05620-2701

RE: Case Number 18-3810-INV – Renewable Energy Standard Rulemaking

Dear Ms. Whitney:

In the spirit of improving the integrity, transparency, and effectiveness of Vermont's Renewable Energy Standard (RES) to meet our State's renewable energy and climate commitments, reduce Vermonters' energy burdens, and grow our local economy, Renewable Energy Vermont, Sierra Club, Vermonters for a Clean Environmental, and Vermont Interfaith Power and Light offer the following comments to the Public Utility Commission as they contemplate rule development.

### ***Renewable Electricity Accounting***

We request this Rule require the electric distribution utilities (DU) to follow in their accounting for the generation resource type, vintage year, geographic location, and environmental attributes (both Renewable Energy Credits and any Carbon Offset credits) associated with all electricity claimed under RES Tiers I, II, and III, a detailed accounting that follows best practices for buying third-party certified and verified green power products for all electricity generation claimed in each tier. This will allow for a more transparent and credible RES program in Vermont.

### ***Tier III Compliance***

We request this Rule institute a more transparent and more comprehensive Tier III program that requires identification and description of specific customized consumer and industrial projects and participation opportunities. Currently Tier III allows the DUs to submit generalized summaries of each program to the PUC. This provides very little, if any, project specific information to allow for meaningful collaboration, involvement, or information sharing by the public for customized projects. Further, standard administrative practices will ensure customer-specific proprietary or personally identifiable information is not shared without a customer's consent. Efficiency Vermont's successful operation of transparent and accountable reporting and opportunities for open partnership via its custom programs could serve as an example in RES Tier III implementation.

Greater collaboration between the Vermont Energy Efficiency Technical Advisory Group (TAG), DUs, DPS, and the public will lead to greater reductions in local climate pollution and fossil fuel use. Improved communications among Tier III stakeholders will lead to, greater long-term savings on energy costs for Vermonters, greater DU customer participation in Tier III opportunities, and greater local economic development and job creation. Given that ratepayer funds are utilized to financially support and promote Tier III projects, the lack of transparency in the current custom program raises questions of fairness, integrity, and compliance with the RES statute, which requires partnerships for implementation.<sup>1</sup> The Commission's rule making proceeding offers an opportunity to resolve these concerns.

### ***Information Sharing and Third-Party Proposals***

We ask the PUC and DPS to develop and implement clear procedures to guide information sharing and meaningful participation between TAG, DPS, PUC, DUs, the public, and non-utility energy service providers. If the TAG process is to continue, all meetings must be publicly noticed and the TAG facilitator must be independent of DU employment and maintain an interested persons email or mailing distribution list for notification of meetings, public comment opportunity, and decisions or recommendations to the PUC. Clear opportunity for participation in Tier III implementation by local businesses, individual customers, energy and engineering experts, and others can create additional value to ratepayers and the DUs through their expertise regarding programmatic and customizable projects. However, unless there is cooperation, equal opportunity to participate in Tier III project development, true partnerships with third-party energy service providers and transparency in the Tier III program ratepayer cost savings continues to go unrealized. In an effort to unlock this potential, we request that the PUC establish a path for non-utility energy service providers and electric customers to request a custom or programmatic consideration or qualification for Tier III credit for utility compliance to the DPS or the TAG facilitator.

### ***Non-Renewable Electricity***

We object to utilizing non-renewable electricity purchases—such as nuclear power—to lower a DU's compliance requirement under the Renewable Energy Standard. The PUC's preliminary orders allowing DU's to reduce their Tier III obligations with nuclear energy purchases undermines the spirit and intent of the

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<sup>1</sup> 30 V.S.A. § 8005 (3)(E)(i) A retail electricity provider or a provider's partner may oversee an energy transformation project under this subdivision (3). However, ***the provider shall deliver the project's goods or services in partnership with persons other than the provider*** unless exclusive delivery through the provider is more cost-effective than delivery by another person or there is no person other than the provider with the expertise or capability to deliver the goods or services (emphasis added).

law. The RES statute clearly distinguishes renewable energy and nuclear energy. The title of the law is the *Renewable Energy Standard*, which highlights the Legislature’s intent to bring renewable energy generation to the forefront of Vermont’s statewide electricity generation fuel mix. The Legislature clearly prohibited electricity derived from non-renewable sources, like nuclear power, from counting towards a DU’s RES compliance when considering the law’s title, definitions, and taken in whole context of intent. The statute states, “**no form of nuclear fuel shall be considered renewable.**”<sup>2</sup> The Tier III program requires the DUs to support *new* projects that reduce Vermont’s fossil fuel usage and climate pollution through fuel switching to renewables and electrification.

We request that the Commission’s rule clearly prohibit any subsidy or fossil fuel savings credit for projects that utilize non-renewable fuels and fossil fuels. It is deeply concerning that a significant custom utility project was “approved” by the Department or TAG that subsidized the purchase of fossil fuel equipment, this is counter to the overall intent of the Legislature and statute.

30 V.S.A. § 8002 (21)(D), states:

The Commission by rule may add technologies or technology categories to the definition of "renewable energy," provided that *technologies using the following fuels shall not be considered renewable energy supplies: coal, oil, propane, and natural gas*

(emphasis added).

### *Equity*

Finally, we request that the Commission incorporate guidance or process within its rule to ensure equity of participation and benefit of Tier III opportunities for all Vermonters. We highlight the Legislature’s directive on this issue in statute:

30 V.S.A. § 8005 (3)(F)(vi) To ensure that all ratepayers have an equitable opportunity to participate in, and benefit from, energy transformation projects regardless of rate class, income level, or provider service territory

While we agree that each electric utility should have flexibility to offer a variety of renewable energy solutions or incentives to enable and encourage their customers to deploy such solutions, the Legislature’s equity directive is incredibly important. Burlington Electric Department’s early leadership to offer scaled

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<sup>2</sup> 30 VSA § 8002 (21), states in part, “Renewable energy” means 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.

30 VSA § 8002 (B)(21)(B), states, “For purposes of this subdivision (21), no form of nuclear fuel shall be considered renewable.”

incentives based on a customer's income should be relied upon as a model and best practice. The Commission should encourage all other DUs to follow their example. The Vermont Energy Access Coalition, in partnership with the U.S. Urban Sustainability Directors Network created an energy program equity guide and checklist that offers best practices. The guide is available online at [www.revermont.org/forall](http://www.revermont.org/forall).

We are also concerned about geographic equity in terms of the vast difference in benefit or incentive offered to Vermonters depending on which DU service territory they are located within. For example, Burlington Electric Department customers may receive a point of sale incentive or rebate of up to \$1,800 on a new electric vehicle but Vermont Electric Coop customers may only receive a \$500 rebate for the same vehicle.<sup>3</sup> Some utilities offer no EV incentive.

To maximize the effectiveness of the RES and progress toward achieving Vermont's climate commitments and comprehensive energy plan, Vermonters with the greatest energy burdens should be a focus for Tier III projects. VEIC undertook an energy burden study which offers helpful information. The study is available online at <https://www.encyvermont.com/Media/Default/docs/white-papers/efficiency-vermont-mapping-energy-burden-vermont-white-paper.pdf>.

We appreciate the opportunity to comment on RES implementation to date and issues that we hope the Commission will address within its proposed rule.

Most Sincerely,

Olivia Campbell Andersen  
Executive Director  
Renewable Energy Vermont

Steve Crowley  
Executive Committee Member at Large  
Vermont Chapter of the Sierra Club

Kate Logan  
Director of Programming and Policy  
Rights & Democracy (VT + NH)

Annette Smith  
Executive Director  
Vermonters for a Clean Environment

Rev. Richard H. Hibbert  
President  
Vermont Interfaith Power and Light

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<sup>3</sup> These comments relied upon BED and VEC website postings on incentive values on 3/14/2019.