

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Investigation into Renewable Energy Standard rule-making

Case No. 18-3810-INV

COMMENTS OF VERMONT ELECTRIC COOPERATIVE

Vermont Electric Cooperative appreciates the opportunity to comment on the draft rule addressing Vermont’s Renewable Energy Standard (RES). Overall, VEC finds the draft rule to be a clear and concise distillation of the provisions in the previous orders. Please find VEC’s comments below.

Hydro-Quebec

VEC believes that energy and attributes from Hydro Quebec (HQ) should continue to play an important role in helping Vermont utilities meet the state’s aggressive renewable energy goals. Tier I of the RES was designed with the understanding that Vermont utilities would continue to take advantage of this nearby, renewable, affordable resource while working to increase penetration of distributed renewables across the state through Tier II of the RES. VEC realizes, however, that other states in the region do not currently qualify attributes from HQ to be used toward their renewable energy mandates. Because of this distinction, attributes from HQ have a value only to utilities in Vermont. With no market competition from other states, that value is small.

VEC believes that in order for a utility to use environmental attributes from HQ to comply with Vermont’s RES, the HQ attributes should be purchased in a bundle with power. This has been VEC’s practice to date, and we will continue to interpret the intent of the RES in this way. There would be no increase in the flow of renewable generation into the region if a Vermont utility were to purchase HQ attributes separate from a power purchase. HQ would still generate the same amount of energy and import the same amount into the region.

Nuclear

Unlike Tiers I and II, Tier III of the RES requires utilities to reduce fossil-fuel use through energy transformation projects. 30 V.S.A. §8005(a)(3) describes the Tier III category as follows:

This category encourages Vermont retail electricity providers to support additional distributed renewable generation or to support other projects to reduce fossil fuel consumed by their customers and the emission of greenhouse gases attributable to that consumption

As the Commission states in its May 2, 2019 order, “the Tier III requirements do not require that the fossil-fuel savings from...electrification measures be from renewable energy.” Therefore, as a non-fossil fuel resource, nuclear should count towards the non-fossil fuel portion of a utility’s energy supply when calculating Tier III savings.

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Vermont is ahead of nearby states in the inclusion of energy transformation goals as part of our RES. Similar to HQ attributes, that means that nuclear attributes currently have potential value only to Vermont utilities. VEC supports the inclusion of nuclear attributes in the calculation of a utility's non-fossil fuel power supply percentage only if the attributes are purchased together with the energy. This has been VEC's practice to date, and we intend to interpret the rule in the same manor moving forward.

Petitions Described in 30 V.S.A. §8005 (a)(3)(G)

VEC would suggest including or at least referencing the processes described in 30 V.S.A. §8005 (a)(3)(G) in the RES rule. For simplicity and clarity, VEC finds it useful to have relevant statutory provisions reiterated in the applicable rule.

Thank you for the opportunity to comments on the draft RES rule. VEC looks forward to continued engagement in this process.

Sincerely,
Vermont Electric Cooperative, Inc.



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