

# Appendix E. Renewable Energy for Communities Draft Legislative Language

## § 8005b. Renewable Energy for Communities Program

(A) Establishment. A Renewable Energy for Communities Program is established. To achieve the goals of section § 8005(a)(2) of this title, the Commission shall develop a Renewable Energy for Communities Program that meets the eligibility requirements of this section, which may be implemented by rule, order, or contract. Retail electricity providers shall issue periodic solicitations subject to the requirements of the Renewable Energy for Communities Program.

(B) Eligible resources. Distributed renewable generation as defined in 30 V.S.A. § 8002(a)(2), shall be eligible to participate in this program.

(C) Objectives. It shall be the objective of the Renewable Energy for Communities Program to develop distributed generation at least-cost to ratepayers that is directed by, developed in consultation with, and/or directly benefits communities by one or more of the following:

(i) Delivering benefits from renewable energy systems to customers who have historically been marginalized or faced inequitable access to the benefits of renewable energy, including environmental justice focus populations as defined by 3 V.S.A. § 6002;

(ii) Supporting community participation in the development and governance of distributed renewable generation; and/or

(iii) Supporting the delivery of benefits to tenants of buildings that are designated as affordable housing;

(iv) Supporting the delivery of benefits to school and municipal owned buildings;

(v) Advancing other priority issues as identified during program development as detailed under section 8005b(E) of this title.

(D) Capacity Requirement. Retail electricity providers shall issue solicitations for distributed renewable generation equivalent to a percentage of their requirement under section 8005(a)(2) of this title, as determined by the Commission.

(E) Solicitation Requirement. On a schedule to be developed by the Commission, each retail electricity provider with an obligation under § 8005(a)(2) shall issue solicitations

for eligible distributed generation until it has met its capacity requirement. Coordinated solicitations shall be encouraged. Each retail electric provider shall review proposed projects in its service territory according to a set of consistent core criteria as approved by the Commission and consistent with the objectives set forth in this section.

(i) 100% renewable retail electricity provider requirements may be limited by the Commission to an amount equal to the provider's requirement to meet distributed generation with load growth above the baseline year of 2024 and allowed on a less frequent solicitation schedule.

(E) Program Development. By January 1, 2027 the Commission shall implement the Renewable Energy for Communities Program. In developing the program, the Commission shall:

- i. Determine principles to guide the development of eligible distributed generation and consider whether additional objectives for the program as defined under 8005b(A) are necessary.
- ii. Determine whether a percentage of each retail electricity provider's capacity requirement should be reserved to serve specific customers who have previously experienced inequitable access to the benefits of renewable energy and determine any minimum requirement for those projects procured under this program for serving those specific customers.
- iii. Establish a set of consistent review criteria to be used by all retail electricity providers in solicitations for eligible distributed generation considering issues in addition to cost, such as (but not limited to) community support and/or engagement while developing the proposal, potential for local workforce development and other community benefits to be delivered to the host community, location of the project including whether it is in a constrained area of the distribution or transmission system or in an area identified as a preferred location in a regional or municipal enhanced energy plan pursuant to 24 V.S.A. 4352, and anticipated generation profile.
- iv. Identify reporting requirements and necessary metrics to monitor how benefits and burdens from the program are distributed across ratepayers.
- v. Consult with individuals representing a diverse array of perspectives, including at minimum representation from industry, retail electric providers, environmental advocates, state agencies, regional and local governments, communities identified as environmental justice focus populations under 3 V.S.A. § 6002, municipalities experiencing high energy burden as identified by Efficiency Vermont's 2023 Energy Burden Report, renters, and multifamily affordable housing representatives.
- vi. Determine a process for exempting or deferring retail electricity provider requirements under this section in the event no proposals below the applicable Alternative Compliance Payment are received in response to a retail electricity provider's solicitation.

- vii. Determine a process for evaluating and reporting on the success of the program in achieving the stated goals.
- viii. Consider other issues as identified throughout the process.

(F) The Commission may use its authority under 30 V.S.A §20 and 21 as may be necessary to support engagement and technical analysis necessary to develop the Renewable Energy for Communities Program. Funding may be used to support per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 to conduct engagement with parties who are not otherwise compensated by their employer.

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