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## **Initial Request for Input on Comprehensive Review of Vermont’s Renewable & Clean Electricity Policy and Programs**

**Public Service Department**

**July 5, 2022**

To further advance state energy goals and climate requirements, both the [2022 Comprehensive Energy Plan \(CEP\)](#) and [2021 Climate Action Plan \(CAP\)](#) call for consideration of Vermont’s existing Renewable Energy Standard (RES) and related electric sector programs. Specifically:

- The 2022 CEP recommends comprehensive consideration of adjustments to the RES and related renewables programs through a transparent and open process. The CEP notes this should include consideration of a low-carbon or carbon-free standard, in addition to 100% RES (pg 270).
- Similarly, the 2021 CAP recommends Vermont move from a 75% RES to a 100% carbon-free or 100% renewable energy requirement no later than 2030 (pg. 105).

In accordance with these recommendations, the Vermont Public Service Department (“Department”) is initiating a comprehensive review of Vermont’s renewable & clean electricity policies and programs. To solicit feedback on the process for this review, as well as gather initial input about what is important to Vermonters regarding the State’s supply of electricity, the Department issues this Request for Input (“RFI”). This RFI represents the first step in the process and is *not* intended to seek final positions on any specific program or policy. Rather, responses will help the Department shape the process, fostering robust future engagement with a broad range of stakeholders and communities across Vermont. The RFI seeks to gather input on several key topics related to this effort including: the engagement effort for the process, core decision-making criteria to consider, and initial issues for consideration related to renewable and carbon-free electricity in Vermont

### **Topic 1: Timeline for Policy Review and Stakeholder Engagement**

The Department seeks to continuously improve the way it engages with stakeholders and communities on key policies and programs, including with those who have historically not been engaged. In planning to review renewable electricity programs and policies, the Department drafted two potential timelines to illustrate tradeoffs with regard to depth and breadth of engagement and technical analyses, as detailed in Attachment A. These timelines/processes would aim to deliver recommendations for improvements to renewable electricity policies and programs in January 2023 and January 2024, respectively. The timelines do not offer an

“either/or” approach, rather they highlight the pros and cons of each approach. Related to these timelines, the Department requests input on:

- a. What aspects of the proposed timelines should the Department prioritize?
- b. Which timeline provides adequate time and space for engagement and technical analyses?
- c. Attachment A identifies key stakeholders with whom the Department should engage.
  - i. What other stakeholders should be considered?
  - ii. Are there specific organizations with whom the Department should engage? If so, who?
- d. Attachment A identifies several different forms of engagement, including stakeholder forums, Department staff at community events, interactive workshops, polling, and written comments.
  - i. What format(s) of engagement would you prefer and why?
  - ii. Should the Department consider other forms of engagement beyond those listed? If so, please explain.

## **Topic 2: Decision Criteria**

The 2022 CEP identifies several criteria that should be considered in evaluating opportunities to expand the use of renewable and clean electricity resources in Vermont. These include – in addition to statutory directives embodied in Vermont law<sup>1</sup> – equity, cost-effectiveness, carbon reduction, grid impact, economic development, uncertainty, and simplicity. They are based on a combination of feedback heard during the CEP development process, statutory state energy policy, and experience in long-term planning.

- a. Are there any additional criteria that should be applied to the evaluation of Vermont’s renewable and clean electricity policies and programs?
- b. How should the Department prioritize these criteria?

## **Topic 3: Key Issues for Consideration**

The CEP recommends that consideration of adjustments to the Renewable Energy Standard and complementary renewable energy programs, such as the net-metering and Standard Offer programs, be done comprehensively and cohesively. The CEP also calls for Vermont to consider how to maintain existing renewable generation, reflect the time and locational value of resources, and achieve 100% “carbon-free” or renewable electricity standards.

- a. What is Vermont doing well when it comes to the deployment of and access to renewable and clean electricity to meet growing demand?
- b. What are key challenges / gaps in existing programs and policies that should be considered in this process?

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<sup>1</sup> For example, 30 V.S.A. §202a calls for Vermont to meet its energy needs adequately, securely, sustainably, and cost-effectively while encouraging the economic vitality of the state and meeting greenhouse gas requirements.

### **Additional Comments / Issues for Consideration**

Are there other programs related to Vermont's strategies for clean and renewable energy electricity that should be addressed in this review? For example, should the Department consider updates to Tier 3 of the Renewable Energy Standard in this process?

### **Response Due Date and Next Steps**

The Department welcomes comments on the above questions and any others that may be identified. Please send comments by August 5 to [PSD-REPrograms@vermont.gov](mailto:PSD-REPrograms@vermont.gov) , or by U.S. mail to 112 State Street, Montpelier Vermont, 05620-2601.

Following the review of comments, the Department expects to establish an engagement process and begin broad public and technical outreach pursuant to that process.

## Appendix A: Renewable Energy Standard and Related Programs Update

Vermont currently has a suite of policies and programs that seek to increase the deployment of renewable electricity resources in the state. These include the:

- **Renewable Energy Standard (RES)**, which began in 2017 and places an obligation on the distribution utilities to acquire a certain amount of renewable electricity each year based on their retail sales
- **Standard Offer**, which began in 2009 and encourages deployment of small-scale renewable projects through a centralized procurement process
- **Net Metering**, which began in 1999 and provides incentives for customers to self-generate power and *net* this generation against their electric bill, either directly or as a monetary credit

To further advance state energy and climate goals, both the 2022 Comprehensive Energy Plan (CEP) and 2021 Climate Action Plan (CAP) call for consideration of Vermont's existing RES and related renewable energy programs. Specifically:

- The **2022 CEP** recommends comprehensive consideration of adjustments to the RES and related renewables programs through a transparent and open process. The CEP notes this should include consideration of a low-carbon or carbon-free standard, in addition to 100% RES (pg 270).
- Similarly, the **2021 CAP** recommends Vermont move from a 75% RES to a 100% Carbon-free or 100% RES no later than 2030 (pg 105).

Given these recommendations, the Department of Public Service (Department) is planning to conduct broad stakeholder engagement and technical analyses<sup>2</sup> to support such considerations in preparation for making recommendations regarding potential policy and program updates and/or new policy needs. This memo provides an overview of those planning efforts to date, including goals, anticipated outcomes, stakeholder engagement, and two proposed timelines for the process.

### Considerations of the RES and related programs: Goals and Outcomes

As the overarching renewable electricity policy in Vermont, the primary focus of the stakeholder engagement and technical analyses will be on the existing RES and necessary modifications or updates required. Secondary consideration will be given to complementary and supporting policies that help achieve RES obligations, such as iterations of the Standard Offer and net-metering programs, community solar, and other program and policy opportunities as identified through the process.

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<sup>2</sup> For the technical analyses, the Department intends to use the Consolidated RES model, an excel-based model it has developed pursuant to 30 V.S.A § 8005(b) and uses on an annual basis to project impacts related to the RES. The Department may develop complementary tools to support further analysis as necessary.

In conducting the proposed stakeholder engagement and technical analyses, the Department has several goals:

- 1) Develop greater awareness and understanding of Vermont's renewable electricity programs across stakeholder groups
- 2) Conduct broad engagement across stakeholders, including those from impacted and frontline communities, to identify stakeholder needs and challenges with and benefits of existing policies and programs
- 3) Produce technical analyses, informed by stakeholder engagement, to support dialogue and weighing of trade-offs of identified issues for further consideration
- 4) Identify recommended changes to the existing renewables programs and/or recommendations for new programs
- 5) Coordinate and partner with relevant parties, such as the Vermont Climate Council (VCC) and subcommittees or task groups

Through conducting this process, the Department expects to achieve the following outcomes and deliverables:

- 1) A summary of the stakeholder engagement conducted (ex. how it was conducted, who was engaged, what ideas, concerns, considerations emerged)
- 2) A technical analysis of potential policy or program changes and their tradeoffs with respect to considerations like equity, cost-effectiveness, carbon impact, grid impact, and economic development.
- 3) Completed equity impact assessments (EIA; both the state executive branch EIA and VCC Guiding Principles Assessment developed by the VCC Just Transitions Subcommittee)
- 4) Any necessary draft legislation

## **Stakeholder Engagement**

Through this process, the Department hopes to work collaboratively with and proactively engage a broad array of stakeholders, including those who have historically not been engaged with.

These groups would include (but are not limited to):

- Vermont utilities
- Renewable energy developers
- Regional planning commissions and municipalities
- Frontline and impacted communities, such as rural, low income, BIPOC, and Indigenous voices
- Community-based and environmental organizations
- State agencies and the VCC
- Academic institutions

The Department proposes to collaborate closely with the VCC, and particularly the Public Engagement task group. Collaboration with the Public Engagement task group and their ongoing partner engagement efforts to better reach and incorporate the voices of impacted and frontline

communities in decision-making, would support engagement of stakeholders in a coordinated way.

The Department expects that stakeholder engagement could take several different forms, depending on the timeline for the update process and objectives of the engagement efforts. For example:

- **Stakeholder Forums and Attendance of Department Staff at Community Events (as appropriate)** at the beginning of the process could help build education and awareness of the existing RES and related programs and begin to identify needs of various stakeholders or issues to address with regards to renewable electricity and existing policies and programs.
- **Interactive Workshops** would support more in-depth conversation about the needs identified in the forums and other community events and provide space for collaboration with stakeholders to develop potential solutions to identified issues or needs.
- **Polling** could further be used to assess how different stakeholder groups view different policy and program options and weigh tradeoffs with regards to identified decision criteria like equity, cost-effectiveness, and carbon benefits.
- Finally, **written comments and public comment forums** could be utilized at the end of the process to provide feedback on written reports and policy recommendations informed by other types of engagement.

## Proposed Timelines

The Department has drafted two timelines for this process to illustrate tradeoffs with regards to the depth and breadth of stakeholder engagement and technical analyses possible to support these processes. At a high level, each of the timelines would offer the following:

- **7-month timeline (June 2022 – January 2023):** The 7-month timeline would seek to deliver recommendations for program revisions and necessary legislative language in time for the **2023** legislative session. This timeline would allow for: two public engagement efforts - one in August 2022 and the second in November 2022; initial technical analyses primarily focused on issues identified during the development of the 2022 CEP and 2021 CAP and the August 2022 public engagement effort; three iterations of the EIAs - an initial draft in June 2022, a revised draft in October 2022 following stakeholder engagement, and a final in December 2022. The outcomes of these efforts would be included in the Department's 2023 Annual Energy Report (AER) / Renewables Programs Report (RPR). Given the limited timeline, the public engagement efforts would likely focus on stakeholder forums or listening sessions (August 2022), written comments, and public comment forums (November 2022), offering limited time to build awareness of the effort and education for those communities impacted by these programs but not frequently engaged in the policymaking process.
- **18-month timeline (June 2022 – January 2024):** In response to the conversation related to procedural equity and the need to bring more voices to the table in planning and

decision-making processes, the Department has also developed an 18-month timeline that would seek to deliver recommendations for program revisions and necessary legislative language in time for the **2024** legislative session. The timeline would allow for several rounds of public engagement – August and November 2022, in addition to spring/early summer 2023 and more iterative technical analyses and EIAs to weigh considerations highlighted in each round of public engagement. An update on efforts to-date would be included in the Department’s 2023 AER and RPR, while the final outcomes of these efforts would be included in the Department’s 2024 AER and Renewable Energy Standard report (RES report). Given the more expansive timeline, the Department expects each of the stakeholder engagement efforts listed above could be utilized, with more time to build awareness of existing programs and update process across all stakeholders, more comprehensively assess the needs of various communities, and collaboratively iterate over potential recommendations to policy change.

The Department anticipates the longer timeline would allow for more education and awareness of existing programs early in the process and deeper dialogue and engagement on necessary program and policy updates. The table below compares these timelines in more detail, highlighting the **stakeholder engagement tasks in blue** and technical analyses tasks in black. Differences between the timeline activities in 2022 are underlined where relevant:

Date	7-month timeline	18-month timeline
May-22	<ul style="list-style-type: none"> <li>• Develop Draft Public Engagement (PEP) &amp; Technical Analysis Update Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Develop Draft Public Engagement (PEP) &amp; Technical Analysis Update Plan</li> </ul>
Jun/Jul-22	<ul style="list-style-type: none"> <li>• Vet PEP with stakeholders through request for input (RFI)</li> <li>• Initial Equity Assessment - Guiding Principles Tools, SOV EIA</li> <li>• Begin updating existing model to assess range of issues</li> </ul>	<ul style="list-style-type: none"> <li>• Vet PEP with stakeholders through request for input (RFI)</li> <li>• Initial Equity Assessment - Guiding Principles Tools, SOV EIA</li> <li>• Begin updating existing model to assess range of issues</li> </ul>
Aug/Sept-22	<ul style="list-style-type: none"> <li>• Initial round of stakeholder engagement utilizing stakeholder forums; <u>focus on identifying benefits of/ challenges with existing programs and proposed solutions</u></li> <li>• Begin synthesizing input</li> </ul>	<ul style="list-style-type: none"> <li>• Initial round of public engagement utilizing stakeholder forums; <u>focus on education related to programs, beginning to discuss needs of stakeholders</u></li> <li>• Begin synthesizing input</li> </ul>
Sep-22	<ul style="list-style-type: none"> <li>• Identify key issues for technical analysis that can be completed within Fall 2022 and update model</li> <li>• Secondary EIA</li> </ul>	<ul style="list-style-type: none"> <li>• Identify key issues for technical analysis that can be completed within Fall 2022 and update model</li> <li>• Secondary EIA</li> </ul>
Oct-22	<ul style="list-style-type: none"> <li>• Publish synthesis of stakeholder engagement and initial modeling results for public review</li> </ul>	<ul style="list-style-type: none"> <li>• Publish synthesis of stakeholder engagement and initial modeling results for public review</li> </ul>

	<ul style="list-style-type: none"> <li>• <u>Draft program/policy revisions and proposed legislation</u></li> </ul>	
Nov-22	<ul style="list-style-type: none"> <li>• Second round of stakeholder engagement utilizing public comment forums and written feedback; <u>focus on presenting results of stakeholder engagement and related modeling and requesting input on products</u></li> <li>• Revise technical analysis and EIA</li> </ul>	<ul style="list-style-type: none"> <li>• Second round of engagement utilizing stakeholder forums and written feedback; <u>focus on presenting initial results of stakeholder engagement and related modeling, further discussing stakeholder needs and begin identifying issues to address; dialogue around Spring 2023 stakeholder engagement plan</u></li> <li>• Revise technical analysis and EIA</li> </ul>
Dec-22 Jan-23	<ul style="list-style-type: none"> <li>• Final RPR and AER published, including technical analyses, EIA, draft policy updates</li> <li>• Presentations to Leg &amp; others on final recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Final RPR Report and AER published; Includes initial RES Model and EIA, a <u>summary of the stakeholder engagement done to date and key issues to continue to engage on in 2023</u></li> <li>• Presentations to Leg &amp; others on initial work</li> </ul>
Feb-Jul 23		<ul style="list-style-type: none"> <li>• Continued stakeholder engagement on key challenges identified in 2022 and development of proposed solutions; Would utilize interactive workshops, polling, other avenues as appropriate to support greater dialogue and collaboration over solutions to address identified needs and key challenges;</li> <li>• Technical analyses of proposed solutions with regards to issues like cost-effectiveness, GHG impact, equity, etc. informed by stakeholder engagement efforts</li> <li>• Additional iteration of the EIA to flesh out and address gaps informed by stakeholder engagement efforts</li> </ul>
Aug-23		<ul style="list-style-type: none"> <li>• Develop draft recommendations and any necessary associated legislation including EIA / Guiding Principles assessments</li> </ul>
Sep-23		<ul style="list-style-type: none"> <li>• Department drafts summary of stakeholder engagement process</li> <li>• Department finalizes technical analysis and drafts summary report</li> </ul>
Oct-23		<ul style="list-style-type: none"> <li>• Drafts of stakeholder engagement, technical analyses, and program/policy recommendations shared broadly for comment</li> </ul>

Nov-23		<ul style="list-style-type: none"> <li>• Public comment forums and written feedback on drafts</li> <li>• Revise reports</li> </ul>
Dec-23		<ul style="list-style-type: none"> <li>• Final AER and RES Report including any proposed legislation and summary of engagement efforts.</li> </ul>
Jan-24		<ul style="list-style-type: none"> <li>• Presentations to Leg &amp; others on final recommendations</li> </ul>