

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7523

Implementation of Standard Offer Prices for Sustainably)
Priced Energy Enterprise Development ("SPEED"))
resources)

Order entered: 6/3/2009

**ORDER OPENING INVESTIGATION AND NOTICE OF PREHEARING
CONFERENCE AND WORKSHOP**

I. INTRODUCTION

Pursuant to 30 V.S.A. §§ 8002 through 8005, the Public Service Board ("Board") hereby opens an investigation into the development of standard offer prices for qualifying renewable generation under the Sustainably Priced Energy Enterprise Development ("SPEED") program.

II. BACKGROUND

During this legislative session, the Vermont Energy Act of 2009 ("Act"), also referred to as H. 446, was passed by the General Assembly and allowed to become law.¹ The Act significantly revises the SPEED program under 30 V.S.A. §§ 8002 to 8005. The Act establishes standard offer prices for different types of qualifying SPEED resources with a plant capacity of 2.2 MW or less and the criteria for determining the appropriate prices. In addition, H. 446 requires that the Board open and complete, by September 15, 2009, a "noncontested case docket" to determine whether the prices established by the Act "constitute a reasonable approximation of the price that would be paid applying the criteria" established by the Act. If the prices established by the legislation are not a reasonable approximation, the Board is charged with

1. As of the date of this Order, H. 446 has not received a numbered designation as an Act.

setting interim prices. By January 15, 2010, the Board is required to set the price to be paid to a plant owner under a standard offer applying the criteria established by the legislation.²

The Board is opening this Docket to begin implementation of these statutory changes including soliciting input from interested parties to assist the Board in determining other, non-price terms and conditions for the standard offer contracts. The Board has directed Board staff to convene a prehearing conference and workshop on June 19, 2009, at the Board Hearing Room, located on the 3rd floor of the Chittenden Bank Building at 112 State Street in Montpelier, Vermont. At the workshop, participants should be prepared to discuss: (1) the process by which the Board should develop standard offer prices; (2) conceptual framework for establishing costs; (3) sources of data and key assumptions for these costs; (4) information on tax incentives and other sources of revenue and offsets available to the project developer; (5) the development of a standard offer contract; and (6) any other pertinent issues.

This Docket will address the review of the Act's standard offer prices and, if the prices are not a reasonable approximation, set interim prices by September 15, 2009. In addition, the Board will consider non-price terms and conditions for standard offer contracts in this Docket. A subsequent docket will more fully address the standard offer prices in accordance with the January 15, 2010 statutory deadline and will incorporate the record from this Docket.

III. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. Pursuant to 30 V.S.A. Sections 8002 through 8005, an investigation is opened into the development of standard offer prices for SPEED resources.

2. Pursuant to 30 V.S.A. Section 10, Board staff shall conduct a Prehearing Conference and Workshop on Friday, June 19, 2009, commencing at 9:30 A.M., at the Board Hearing Room, located on the 3rd floor of the Chittenden Bank Building at 112 State Street in Montpelier, Vermont.

2. The full text of H. 446, as passed by the House and Senate, can be found at: <http://www.leg.state.vt.us/docs/2010/bills/Passed/H-446.pdf>.

Dated at Montpelier, Vermont, this 3rd day of June, 2009.

s/James Volz)

) PUBLIC SERVICE

s/David C. Coen)

) BOARD

s/John D. Burke)

) OF VERMONT

OFFICE OF THE CLERK

FILED: June 3, 2009

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)