

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7873

Programmatic Changes to the Standard-Offer Program )

and Docket No. 7874

Investigation into the Establishment of Standard-Offer )

Prices under the Sustainably Priced Energy Enterprise )

Development ("SPEED") Program )

Order entered: 5/16/2013

**ORDER RE: RFP SELECTION**

**I. INTRODUCTION**

On March 1, 2013, the Public Service Board ("Board") issued an Order ("March 1<sup>st</sup> Order") implementing the significant changes to the Sustainably Priced Energy Enterprise Development ("SPEED") standard-offer program required by Public Act 170,<sup>1</sup> as codified in 30 V.S.A. §§ 8005a and 8006a. In the March 1, 2013, Order, we established a request for proposal ("RFP") mechanism to determine the standard-offer projects that will fill the annual plant capacity available under the standard-offer program, and directed the SPEED Facilitator, by April 1 of each year, to issue an RFP to solicit standard-offer projects to meet the requirements of 30 V.S.A. § 8005a(c).

On May 1, 2013, the SPEED Facilitator received proposals in response to the RFP. In this Order, we find three projects to be eligible to participate in the standard-offer program and authorize the Facilitator to enter into contracts for these projects. We also determine that one

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1. Public Act 170 (2012, Vt., Adj. Sess.). The text of Act 170 can be found at <http://www.leg.state.vt.us/DOCS/2012/ACTS/ACT170.PDF>.

projects is eligible to participate in the Provider Block.<sup>2</sup> Finally, we identify several projects to be held in the Reserve.<sup>3</sup>

## II. PROCEDURAL HISTORY

On April 1, 2013, the SPEED Facilitator issued an RFP to solicit standard-offer projects to meet the requirements of 30 V.S.A. § 8005a(c). The available annual capacity in 2013 was approximately 4.5 MW for developers and 0.5 MW for the Provider Block.

On May 1, 2013, the SPEED Facilitator received proposals in response to the RFP. On May 10, 2013, the SPEED Facilitator filed with the Board a report detailing the RFP results. Thirty-four proposals, all solar projects, totaling 60.39 MW in plant capacity, were received in the RFP process. The following is a list of the 10 lowest-cost proposals, ranked from lowest to highest price:

<b>Developer</b>	<b>Project Name</b>	<b>Location</b>	<b>Size (MW)</b>	<b>Price (\$/kWh)</b>
Ecos Energy, LLC	Bennington Solar Project	Bennington	2.0	0.1340
Ecos Energy, LLC	Apple Hill Solar Project	Bennington	2.0	0.1390
Ecos Energy, LLC	Sudbury Solar	Sudbury	2.0	0.1440
Champlain Valley Solar Farm, LLC	Champlain Valley Solar Farm	Middlebury	2.2	0.1441
Otter Valley Solar Farm, LLC	Otter Valley Solar Farm	Pittsford	2.2	0.1491
HelioSage, LLC	Whiting Solar Center	Whiting	2.2	0.1609
HelioSage, LLC	Mountain View Solar Center	Williston	2.2	0.1639
Global Resource Options	North Rutland Solar Park	Rutland	2.2	0.1648
HelioSage, LLC	Carter Hill Solar Center	Highgate	2.2	0.1679
Global Resource Options	South Rutland Solar Park	Rutland	2.2	0.1690

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2. Section 8005a(c)(1)(B) requires that a portion of the annual increase in capacity be reserved for Vermont retail electricity providers.

3. The March 1, 2013, Order determined that a Reserve of 4.5 MW will be created from the proposals with the lowest price that were not part of the initial RFP award group.

The SPEED Facilitator's report noted that the two lowest-cost proposals, the Bennington Solar Project and the Apple Hill Solar Project, are located on the same parcel of property and the generation components of the project are physically contiguous. The SPEED Facilitator requested that the Board make a determination as to whether or not these two projects constitute a single plant for purposes of 30 V.S.A. § 8002(14).<sup>4</sup> Due to the uncertainty of whether the Bennington Solar Project and the Apple Hill Solar Project were eligible to participate in the standard-offer program, the SPEED Facilitator proposed two approaches for ranking the projects to fill the available capacity in the cap and the available capacity in the Reserve (4.5 MW). The first approach assumed that the Bennington and Apple Hill projects are considered a single plant with a capacity of 4.0 MW. Under this scenario, the single plant would not be eligible to participate in the standard-offer program because it exceeds the standard-offer program limit for plant capacity of 2.2 MW. The second approach assumed that the Bennington and Apple Hill projects are separate plants. Under this scenario, both plants are eligible for the standard-offer program.

The SPEED Facilitator's report stated that it received one proposal for the Provider Block. Green Mountain Power Corporation ("GMP") submitted a proposal for a 150 kW solar project in Rutland. GMP indicated that its proposal was contingent on the Board's decision on its Motion for Reconsideration in this Docket.<sup>5</sup>

### **III. DISCUSSION AND CONCLUSIONS**

Pursuant to 30 V.S.A. § 8005a(b) a project must have "a plant capacity of 2.2 MW or less" to be eligible for a standard-offer contract. In order to determine whether the Bennington Solar Project and the Apple Hill Solar Project constitute an eligible plant under Section 8005a(b), we begin by examining the statutory definition of the word "plant." Pursuant to Section 8002(14), a "plant" is:

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4. Letter of John Spencer, on behalf of VEPP Inc., to Susan M. Hudson, Clerk of the Board, dated May 6, 2013.

5. On March 12, 2013, GMP filed a Motion for Reconsideration concerning how the Provider Block projects are included in utility rates. A decision on GMP's motion is pending.

an independent technical facility that generates electricity from renewable energy. A group of newly constructed facilities, such as wind turbines, shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid.

We have previously discussed the issue of separating facilities sufficiently such that they constitute separate plants in our Orders implementing the standard-offer program. Specifically, in Docket 7533, we directed the SPEED Facilitator to consider any generation components that share a common infrastructure as a single plant.<sup>6</sup> We further directed the SPEED Facilitator to identify any group of projects on the same parcel of land, or contiguous parcels of land that, collectively, would exceed the 2.2 MW cap, and to inform the Board of such applications. Finally, we stated that "any collection of generation components that meets the definition of a plant, and exceeds the 2.2 MW cap, shall be removed from the queue, although the generation components may reapply for the standard offer if the scope of the project is adjusted to comply with the 2.2 MW cap."<sup>7</sup> To the extent required, we stated that we will make case-by-case determinations as to whether projects constitute a single plant.

In this case, the Bennington Solar Project and the Apple Hill Solar Project are located on the same parcel of land and the generation components of the project are physically contiguous. Both proposals state that each project has a nameplate capacity of 2.0 MW AC and that the projects will interconnect with the GMP electrical system at the three-phase line along Route 7 on the west side of the property.

Because both proposals are located on the same parcel of land and have similar interconnection points, we conclude that the Bennington Solar Project and the Apple Hill Solar Project constitute a single 4.0 MW plant for the purposes of Section 8002(14). However, since the two projects were submitted as separate bids, we conclude that the first project is a valid 2.0 MW project and that the addition of a second project on the same land would render the plant a single 4.0 MW facility. Therefore, we find that the second project does not comply with the statute or Board requirements, and we are removing the proposal with the higher price to adjust

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6. Docket 7533, Order of 10/16/09 ("Docket 7533 Order").

7. Docket 7533 Order at 8.

the scope of the project to comply with the 2.2 MW per plant limit set by Section 8005a(b). Accordingly, consistent with Section 8002(14), Section 8005a(b) and our Docket 7533 Order, we are accepting only the Bennington Solar Project, which has a lower price, as an eligible plant for the RFP consideration process.

In accordance with the March 1, 2013, Order, the eligible standard-offer projects offered in response to the RFP will be selected based on the price offered, with the projects being ranked from lowest to highest price, until the award group fills the available cap. Under this ranking system, which only considered eligible plants, the projects selected for a standard-offer contract are: (1) Bennington Solar; (2) Sudbury Solar; and (3) Champlain Valley Solar Farm. We hereby authorize the SPEED Facilitator to enter into contracts with these projects.<sup>8</sup>

In accordance with the March 1, 2013, Order, a Reserve of 4.5 MW will be created from the proposals with the lowest price that were not part of the initial RFP award group. Under this ranking system, the projects eligible for the Reserve are: (1) Otter Valley Solar Farm; (2) Whiting Solar Center; and (3) Mountain View Solar Center. We authorize the SPEED Facilitator to place these projects in the Reserve.

In response to the Provider Block capacity, GMP submitted a proposal for a 150 kW solar project in Rutland. GMP indicated that its proposal was contingent on the Board's decision on its Motion for Reconsideration in this Docket.

We authorize the SPEED Facilitator to enter into a contract with GMP for the solar project. We recognize that GMP's acceptance of a contract may be contingent on our decision with regard to its Motion for Reconsideration. The current schedule requires the execution of the standard-offer contracts by June 26, 2013. GMP may request an extension of this deadline if our decision with regard to its motion is not made in time to execute a contract by June 26, 2013.

Board Member Burke dissents from our decision to allow Bennington Solar's bid and will issue a separate opinion subsequent to this Order.

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8. In accordance with our March 1, 2013, Order, once the cap is approached, the SPEED Facilitator is not required to reject the next project in the bid list because the project would exceed the cap. Instead that project will be accepted into the program, and the following year's capacity solicitation will be reduced by the amount of extra capacity that was contracted. Under this methodology, the 2013 award group will be 6.4 MW in capacity.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 16th day of May, 2013.

s/ James Volz	)	
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s/ David C. Coen	)	
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PUBLIC SERVICE  
BOARD  
OF VERMONT

OFFICE OF THE CLERK

FILED: May 16, 2013

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)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and Order.*