

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: 7/18/2013

ORDER RE PROCEDURES FOR FILLING UNUSED STANDARD-OFFER PROGRAM CAPACITY

On May 28, 2013, the SPEED Facilitator ("VEPP Inc.") filed a letter with the Vermont Public Service Board ("Board") requesting guidance on how to treat capacity from the original 50 MW of capacity in the Standard-Offer Program that may become available due to the failure of Standard-Offer projects to achieve commissioning. Specifically, VEPP Inc., asked whether any such available capacity could be filled with projects from the Reserve.¹ On June 6, 2013, the Clerk of the Board issued a memorandum requesting comments on this issue from all interested persons in these Dockets. On June 19, 2013, the Board received comments from the Department of Public Service ("Department"), Green Mountain Power Corporation ("GMP"), Green Peak Solar, LLC ("GPS"), Allco Renewable Energy Limited ("Allco"), and HelioSage Energy ("Helio").

The Department states that the Board should make any unused capacity from the original 50 MW available to projects from the Reserve. If the amount of capacity that becomes available exceeds the 4.5 MW Reserve allocation, the Department recommends that this additional unused capacity be added to the next year's request for proposal ("RFP").

GMP recommends that the Reserve from the 2013 RFP be used to fill unused portions of the original 50 MW of standard offer capacity, should such unused portions arise between now

1. In the March 1 Order, the Board determined that a Reserve of 4.5 MW would be created from proposals with the lowest bid price that were not selected as part of the initial RFP award group.

and January 1, 2014. GMP further recommends that if the amount of capacity that becomes available exceeds the 4.5 MW Reserve, the additional unused capacity should be added to the next annual solicitation.

Allco does not support using the Reserve to fill unused capacity. Allco states that if the Reserve was intended to fill unused capacity from the original 50 MW, the RFP documents should have indicated as such so that other projects would have been submitted to the RFP. Allco recommends rolling any unused capacity into the next RFP.

GPS recommends that the Reserve from the 2013 RFP be used to fill any unused standard-offer program capacity. GPS further recommends that, to the extent that the available unused capacity exceeds the 4.5 MW Reserve, the Board should issue additional contracts to projects that submitted bids in that year's RFP.

Helio adopts GPS's comments.

In our March 1 Order in these Dockets we established the Reserve to "ensure the goal of timely development of standard-offer projects by ensuring that if a project is withdrawn following its selection, another project may be contracted immediately." We have a duty, pursuant to 30 V.S.A. § 8005a(f), to ensure timely development "at the lowest feasible cost." We are persuaded that the procedures recommended by the Department and GMP will best balance the interests of timely development and obtaining least-cost projects. Allco's recommendation would needlessly delay the development of capacity that has been authorized for several years. Contrastingly, GPS's recommendation would potentially allow higher-cost projects to obtain contracts. We direct VEPP Inc. to make any unused previously authorized capacity available to the Reserve.² To the extent that the Reserve is exhausted, any additional unused capacity shall be made available in the next annual RFP.

SO ORDERED.

2. This applies to authorized capacity from both the original 50 MW and any capacity previously authorized in an annual RFP.

Dated at Montpelier, Vermont, this 18th day of July, 2013.

s/James Volz)

) PUBLIC SERVICE

s/David C. Coen)

) BOARD

s/John D. Burke)

) OF VERMONT

OFFICE OF THE CLERK

FILED: July 18, 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)