

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 18-0360-INV

2019 standard-offer prices for existing hydroelectric plants with a nameplate capacity of 5 MW or less	
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Order entered: 07/29/2019

PROCEDURAL ORDER REQUESTING COMMENT AND NOTICE OF ORAL ARGUMENT

On June 25, 2019, the Vermont Independent Power Producers, Inc. (“VIPPA”) filed a request that the Vermont Public Utility Commission (“Commission”) schedule an oral argument on the proposal for decision issued on June 11, 2019. VIPPA’s request is granted.

Regarding the scope of the oral argument, we expect the participants to address the following matters that have been raised in the comments filed on the proposal for decision:

- the price element that reflects the value of a 10- or 20-year contract, pursuant to 30 V.S.A. § 8005a(p)(3)(E); and
- the price element that reflects a two-year rolling average of the market value of environmental attributes, pursuant to 30 V.S.A. § 8005a(p)(3)(D).

Request for Comment

In comments made on the proposal for decision, participants provided recommended methodologies for establishing a price element that reflects a two-year rolling average of the market value of environmental attributes. However, no participant provided specific values for use in a 2019 contract. We are requesting additional comment before making a final determination for 2019 contracts.

The Commission has previously determined that the price element reflecting the value for environmental attributes would be determined based on the renewable energy credits attributable to the plant’s generation. In past decisions, consistent with Section 8005(a)(p)’s recognition of the Low-Impact Hydropower Institute of Portland, Maine (“LIHI”) program, the Commission established a separate price for hydroelectric plants that meet the certification requirements under the LIHI program. For LIHI-certified plants, the price element reflected the value of Massachusetts Class II renewable energy credits, and for all other eligible hydroelectric plants the price element reflected the value of Vermont Tier I or Class III renewable energy credits.

Participants suggested multiple options for determining a two-year rolling average of the market value of renewable energy credits. We are inclined to adopt either of two suggested approaches and request that participants make supplemental filings to help in our final determination. First, all participants suggested that renewable energy credit prices could be determined using a sample of broker quotes from the preceding two years. Both the Vermont Department of Public Service (“Department”) and Green Mountain Power Corporation (“GMP”) stated that there are no publicly available data sources of broker quotes and suggested that the data could be provided by a Vermont distribution utility. Second, GMP recommended that the market value of renewable energy credits could be based on the weighted average purchase or sale prices reported by the Vermont distribution utilities in their quarterly Rule 5.200 filings. Rule 5.200 filings are publicly available and contain renewable energy credit prices that can be used to establish price elements for LIHI-certified hydroelectric plants and non-LIHI-certified plants. In 2017 and 2018, both GMP and Vermont Electric Cooperative, Inc. have made Rule 5.200 quarterly filings that have included purchases of Massachusetts Class II and Vermont Tier I renewable energy credits.

Participants are requested to file recommendations with respect to the two options discussed above. For participants recommending the use of broker quotes, we request that the recommendation include the following:

- 2019 price values for LIHI-certified hydroelectric plants and non-LIHI-certified plants;
- Number and names of brokers used to determine the price values;
- Explanation of how the price values are calculated and any disclosable data that were used in the calculation; and
- What entity will be responsible (e.g., the Department or distribution utility) for providing annual price values and what process will be used to make an annual determination of the price values.

For participants recommending the use of Rule 5.200 filings, we request that the recommendation include the following:

- 2019 price values for LIHI-certified hydroelectric plants and non-LIHI-certified plants;
- Explanation of how the price values are calculated;

- Which distribution utilities are used to determine the price values; and
- What entity will be responsible for calculating annual price values and what process will be used to make an annual determination of the price values.

The deadline for participants to file comments is Tuesday, August 13, 2019. The deadline for reply comments is Tuesday, August 20, 2019.


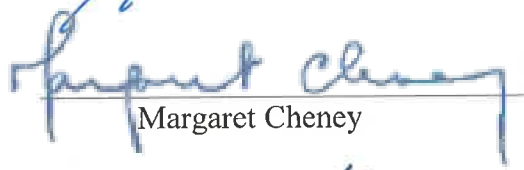

Participants will have the opportunity to address this price element during the scheduled oral argument.

Notice of Oral Argument

The Commission will conduct an oral argument on Tuesday, August 27, 2019, commencing at 11:00 A.M. in the Susan M. Hudson Hearing Room, Third Floor, People's United Bank Building, 112 State Street, Montpelier, Vermont. The oral argument is scheduled to take one hour. VIPPA is allotted one half of that hour, and the Department and other participants in this proceeding are allotted the remaining half hour, collectively, to use as they determine.

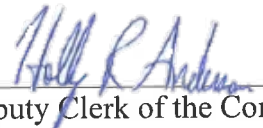
SO ORDERED.

Dated at Montpelier, Vermont this 29th day of July, 2019.

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Anthony Z. Roisman)	PUBLIC UTILITY
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Margaret Cheney)	COMMISSION
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)	
Sarah Hofmann)	OF VERMONT

OFFICE OF THE CLERK

Filed: July 29, 2019

Attest: 
Deputy Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

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