

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 20-2935-INV

Investigation to review the 2021 implementation of the standard-offer program	
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**COMMENTS OF THE VERMONT DEPARTMENT OF PUBLIC SERVICE ON THE
PROPOSAL FOR DECISION FOR THE 2021 STANDARD OFFER PROGRAM**

On March 22, 2021, the hearing officer conducting this case on behalf of the Vermont Public Utility Commission (“Commission” or “PUC”) issued a proposal for decision (“PFD”) providing recommendations regarding the pricing mechanism and the avoided costs that serve as price caps for the 2021 Standard Offer program for the Commission’s consideration. The PFD concluded that the use of a market-based mechanism to administer the Standard Offer program is consistent with applicable federal law and recommended that the 2021 request for proposals (“RFP”) comply with criteria set out by the Federal Energy Regulatory Commission (“FERC”). The PFD also proposed that the avoided cost price caps for solar generation be set at 115% of the 2020 Standard Offer contract awards and reserve group – namely, \$0.104/kWh. The PFD recommended that the price caps for all technologies other than solar remain the same as the prior year.

On March 31, 2021, AllEarth Renewables, Inc. (“AER”) filed comments on the PFD. AER recommends that the Commission also utilize the 115% cap applied to solar development on the caps for large scale wind projects in the Standard Offer program (> 100 kW). According to AER, this would result in a large wind avoided cost price cap of \$0.133/kWh for 20 years. The PFD recommended that the large wind avoided price cap be set at \$0.116/kWh for 20 years. The Vermont Department of Public Service (“Department”) notes that AER is raising a new issue in response to the PFD and submits that this recommendation is untimely and would have

been more appropriately considered during the initial price cap comment period prior to the issuance of the PFD. Substantively, the Department disagrees with AER's proposal. The Department's recommendation that the solar avoided cost price cap be adjusted was due to the history of robust competition amongst solar projects, from which inferences could be derived, and upon which the Department's recommendation was based. Conversely, large scale wind has not seen as much competition and this renders AER's proposed increase in compensation for large wind projects inappropriate.

The PFD is consistent with the Department's recommendations in this proceeding. Therefore, the Department recommends that the Commission adopt the PFD.

Dated at Montpelier, Vermont this 5th day of April 2021.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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