

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 21-4085-INV

Investigation to review the 2022 implementation of the standard-offer program	
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Order entered: 10/04/2021

ORDER OPENING INVESTIGATION AND ESTABLISHING SCHEDULE

I. INTRODUCTION

Pursuant to 30 V.S.A. § 8005a(f)(3), the Vermont Public Utility Commission (“Commission”) hereby opens an investigation to review the 2022 implementation of the standard-offer program.

In this Order, we appoint a Hearing Officer and establish a schedule for the proceeding.

II. BACKGROUND

Pursuant to Section 8005a(f)(3), the Commission is required to annually review the pricing mechanism and price caps under the standard-offer program.

Since 2013, pursuant to Section 8005a(f)(1), the Commission has used a request for proposal (“RFP”) mechanism to determine the standard-offer projects that will fill annual plant capacity available under the program.¹ The Commission has also annually established technology-specific avoided costs to serve as price caps on the standard-offer projects solicited through the RFP.

In 2018, the Commission established a mechanism for the allocation of available capacity by technology for the remainder of the standard-offer program, pursuant to Section 8005a(c)(2).²

According to Section 8005a(g), farm methane projects remain outside of the programmatic cap. As part of its annual review, the Commission determines the prices that will be used for farm methane projects under the standard-offer program.

¹ *Order Re Establishment of Standard-Offer Prices and Programmatic Changes to the Standard-Offer Program*, Dockets 7873 and 7874, Order of 3/1/13. *See also* Docket 8817, Case No. 17-3935-INV, Case No. 18-2820-INV, and Case No. 19-4466-INV.

² Section 8005a(c)(2) requires the Commission to allocate the 127.5 MW cumulative capacity of the standard-offer program among different categories of renewable energy technologies. *See 2018 Programmatic Adjustments to the Standard-Offer Program*, Case No. 17-3935-INV, Order of 3/16/18.

III. DISCUSSION

As required by Section 8005a(f)(3), we open this investigation to conduct a review of the implementation of the 2022 standard-offer program, including the pricing mechanism and price caps. Our review also includes the prices that are used for farm methane projects under the standard-offer program.

We are appointing a Hearing Officer to conduct the proceeding. Pursuant to Section 8005a(f), this matter will be conducted as a non-contested case proceeding.

As part of our review, we request participants to address the following issues:

- Pursuant to Section 8005a(f)(1), the Commission is required to use a market-based mechanism to obtain the plant capacity available under the standard-offer program, if it first finds that use of the mechanism is consistent with: (A) applicable federal law; and (B) the goal of timely development at the lowest feasible cost.

The Commission has previously found that a market-based mechanism is consistent with federal law.³ Participants are requested to address whether any reasons exist to modify this determination.

- Pursuant to Section 8005a(f)(2)(B), the Commission has established price caps for projects under the standard-offer program.

Participants are requested to review the existing established price caps under the standard-offer program and recommend any changes or updates. The Commission notes that for the 2021 RFP, the solar price cap was based on the previous year RFP winning or reserve proposals, with a 15% margin adjustment.⁴ Participants are requested to address the continued use of the 2021 methodology to establish a solar price cap. Any recommendations with respect to price caps must include the analysis, spreadsheets, or documents relied upon to support the recommendations.

³ *Programmatic Changes to the Standard-Offer Program & Investigation into the Establishment of Standard-Offer Prices under the Sustainably Priced Energy Enter. Dev. ("SPEED") Program*, Docket Nos. 7873 & 7874, Order of 3/14/2013; *Investigation to Review the Avoided Costs that Serve as Prices for the Standard-Offer Program in 2020*, Case No. 19-4466-INV, Order of 06/11/2020 (*aff'd In re Investigation to Review the Avoided Costs that Serve as Prices for the Standard-Offer Program in 2020*, 2021 VT 28); *Investigation to review the 2021 implementation of the standard-offer program*, Case No. 20-2935-INV, Order of 4/26/21.

⁴ See *Investigation to review the 2021 implementation of the standard-offer program*, Case No. 20-2935-INV, Order of 4/26/21.

- Pursuant to Section 8005a(c), the Commission is required to “issue standard offers to new standard offer plants until a cumulative plant capacity amount of 127.5 MW is reached.” Further, pursuant to Section 8005a(c)(1)(A), “the annual increase shall be five MW for the three years commencing April 1, 2013, 7.5 MW for the three years commencing April 1, 2016, and 10 MW commencing April 1, 2019.” Finally, Section 8005a(j) states that “[i]n the event a proposed plant accepting a standard offer fails to meet the requirements of the Program in a timely manner, the plant’s standard offer contract shall terminate, and any capacity reserved for the plant within the Program shall be reallocated to one or more eligible plants.”

The 2022 RFP is the last annual increase of 10 MW contemplated in the statute. It is likely that some standard-offer projects will fail to achieve commissioning after the 2022 RFP. Participants are requested to provide comments and recommendations on how the Commission should reallocate any unused program capacity after the 2022 RFP. As part of any response, participants are requested to address: (1) whether the Commission should maintain a reserve list and if so, under what conditions; (2) whether the Commission should issue additional RFPs after 2022; and (3) whether the Commission should select projects to fill unused capacity using a different method.

We adopt the following schedule for the proceeding.

November 8, 2021	Deadline for comments and recommendations on the pricing mechanism and price caps (including any analysis, spreadsheets, or documents relied upon to support recommendations).
November 15, 2021	Workshop to discuss participants’ comments and recommendations. (Separate notice will be issued to schedule workshop via video conference.)
December 3, 2021	Deadline for reply comments. Further process may be scheduled if needed.
Week of January 3, 2022	Tentative date for Hearing Officer’s proposal for decision.

The Commission will establish a service list for this proceeding, which is not a contested case. Anyone interested in participating should contact the Clerk of the Commission.


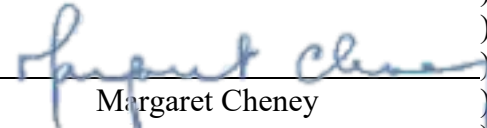
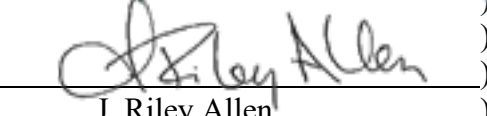
This case is being processed in the Commission's online document management system, known as ePUC, which can be accessed at <http://epuc.vermont.gov>. Information about how to use ePUC, including how to make a filing and how to search for documents, is available on the Commission's website at <http://puc.vermont.gov/epuc-information>.

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission ("Commission") of the State of Vermont that:

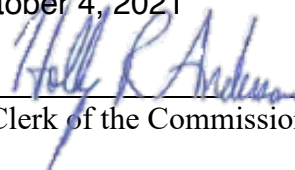
1. Pursuant to 30 V.S.A. § 8005a, an investigation is opened for the review of pricing mechanism and price requirements under the 2022 standard-offer program.
2. Pursuant to 30 V.S.A. § 8, Mary Jo Krolewski, Utilities Analyst, is appointed to serve as Hearing Officer in this proceeding.
3. The following schedule is adopted for this proceeding:
 - November 8, 2021 – Deadline for comments and recommendations on the pricing mechanism and avoided costs (including any analysis, spreadsheets, or documents relied upon to support recommendations).
 - November 15, 2021 – Workshop via video conference to discuss participants' comments and recommendations.
 - December 3, 2021 – Deadline for reply comments and any requests for further process.
 - Week of January 3, 2022 – Tentative date for Hearing Officer's proposal for decision (assuming no requests for further process).

Dated at Montpelier, Vermont, this 4th day of October, 2021

 _____)) PUBLIC UTILITY) COMMISSION) OF VERMONT
Anthony Z. Roisman)	
_____)	
 _____)) COMMISSION) OF VERMONT
Margaret Cheney)	
_____)	
 _____)) OF VERMONT
J. Riley Allen)	

OFFICE OF THE CLERK

Filed: October 4, 2021

Attest: 
_____)
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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