

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 25-2370-INV

2025 standard-offer prices for existing hydroelectric plants with a nameplate capacity of 5 MW or less and farm methane plants	
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Order entered: 10/03/2025

**ORDER ESTABLISHING 2025 STANDARD-OFFER PRICES FOR EXISTING  
HYDROELECTRIC PLANTS AND FARM METHANE PLANTS**

**I. INTRODUCTION**

Under the Standard Offer Program, the Vermont Public Utility Commission (“Commission”) is required annually to determine the price elements for use in standard-offer contracts for existing hydroelectric plants. The Commission is also required annually to establish prices for new farm methane plants.<sup>1</sup>

In this order, we recalculate and adjust the price elements for energy, capacity, and environmental attributes, and make no adjustments to the price elements for avoided line losses and long-term contract value. In addition, we establish prices for small and large farm methane plants.

**II. BACKGROUND**

The Commission establishes the standard-offer price for existing hydroelectric plants less than or equal to 5 MW in nameplate capacity using the sum of five elements identified in statute.<sup>2</sup>

The five elements of the standard-offer price are: (1) the two-year rolling average of the ISO New England Vermont zone hourly locational marginal price for energy; (2) the two-year rolling average of the value of the plant’s capacity in the ISO New England Forward Capacity Market; (3) the value of avoided line losses; (4) the two-year rolling average of the market value

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<sup>1</sup> Section 8005a(p)(4)(A) requires that the Commission recalculate and adjust the rates for existing hydroelectric plants annually by January 15 and review the rates for farm methane plants by March 15. Over the years, the date of these annual reviews has drifted from the dates required by the statute. The Commission will initiate separate reviews for the hydroelectric and farm methane prices in the near future to realign these proceedings with the statutory deadlines.

<sup>2</sup> 30 V.S.A. § 8005a(p)(3).

of environmental attributes, including renewable energy credits; and (5) the value of a 10- or 20-year contract.<sup>3</sup>

The Commission is required annually to recalculate and adjust the price elements of energy, capacity, and environmental attributes for all executed contracts.<sup>4</sup> The Commission may also periodically adjust the value of environmental attributes of an executed contract based upon whether the unit becomes certified by the Low-Impact Hydropower Institute of Portland, Maine (“LIHI”) or loses such certification.<sup>5</sup>

The price elements of avoided line losses and the value of a long-term contract remain fixed at their values at the time a contract is signed for the duration of an executed contract. The Commission may annually adjust the two elements for inclusion in future executed contracts.<sup>6</sup> Pursuant to Section 8005a(f)(3), the Commission is required to annually review the prices under the Standard Offer Program.

According to Section 8005a(g), farm methane plants remain outside the programmatic cap (*i.e.*, no restrictions on the number of plants that can participate in the program). As part of an annual review under Section 8005a(f)(3), the Commission determines the prices that will be used for farm methane plants under the Standard Offer Program.

### **III. DISCUSSION AND CONCLUSION**

#### **A. Existing Hydroelectric Plants**

##### **Energy, Capacity, and Environmental Attributes**

Consistent with statutory requirements, in previous orders the Commission established methodologies to annually recalculate and adjust the price elements of energy, capacity, and environmental attributes.<sup>7</sup>

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<sup>3</sup> 30 V.S.A. § 8005a(p)(3)(A) through (E).

<sup>4</sup> 30 V.S.A. § 8005a(p)(4)(A)(i).

<sup>5</sup> 30 V.S.A. § 8005a(p)(4)(A)(ii). LIHI is a not-for-profit 501(c)(3) organization dedicated to reducing the impacts of hydroelectric generation through the certification of hydroelectric projects that have avoided or reduced their environmental impacts pursuant to LIHI’s criteria. To be LIHI-certified, a hydroelectric facility must meet criteria in the following eight areas: river flows; water quality; fish passage and protection; watershed protection; threatened and endangered species protection; cultural resource protection; recreation; and facilities recommended for removal.

<sup>6</sup> 30 V.S.A. § 8005a(p)(4)(B)(ii).

<sup>7</sup> Docket 7874, Order of 3/6/15; Docket 7874, Order of 4/18/16; Case No. 17-3148-INV, Order of 5/25/17; Case No. 17-3148-INV, Order of 3/13/18; Case No. 18-0360-INV, Order of 9/17/19; Case No. 21-1090-INV, Order of

The 2025 energy price element is \$0.0374 per kWh. This value is calculated using the two-year rolling average of the ISO New England Vermont zone hourly real-time locational marginal price for calendar years 2023 and 2024.

The 2025 capacity price element is \$2.24 per kW-month. This value is based on the two-year average payment rate for the Forward Capacity Auction 2023-2024 results (Auction #14) and 2024-2025 results (Auction #15). Consistent with past determinations, for units that serve as load reducers, a 15% adder is made to the capacity revenue value to reflect that the unit is reducing the utility's capacity reserve requirement. Thus, the total amount paid for capacity each month will be the capacity price element multiplied by the ISO New England Forward Capacity Market qualified winter and summer capacity ratings for the hydroelectric plant, adjusted further by the contract adder. If the plant is a load-reducer, the capacity rating is its generation at the time of the ISO New England peak for the previous two years.

The price element reflecting the value for environmental attributes is determined based on the renewable energy credits for which an existing hydroelectric plant qualifies. Existing hydroelectric plants eligible for the Standard Offer Program may qualify for one of three categories of renewable energy credits: Massachusetts Class II, Connecticut Class I, and Maine Existing. The price element value for each category of renewable energy credit is determined using the two-year average prices. The two-year average prices represent the two-year rolling average of the market value of environmental attributes, consistent with the statutory requirements of Section 8005a(p)(3)(D). The Standard Offer Facilitator submits an annual filing of the broker data used to determine these values.<sup>8</sup>

Accordingly, for use in 2025 standard-offer contracts, a plant qualifying for Massachusetts Class II renewable energy credits receives a price element value of \$0.0303 per kWh, a plant qualifying for Connecticut Class I renewable energy credits receives a price element value of \$0.0389 per kWh, and a plant qualifying for Maine Existing renewable energy credits receives a price element value of \$0.0044 per kWh.

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12/14/21; Case No. 22-0829-INV, Order of 3/16/22; Case No. 23-1860-INV, Order of 8/8/23; and Case No. 24-0822-INV, Order of 6/7/24.

<sup>8</sup> Case No. 25A-0464.

### Avoided Line Losses and Value of Long-Term Contract

With respect to the price elements addressing avoided line losses and the value of long-term contracts, the Commission is not required to annually revise its previously determined values for the two price elements. The Commission completed a review of these price elements in 2021.<sup>9</sup> Thus, the Commission finds that a review of these price elements for use in 2025 standard-offer contracts is not needed and makes no revisions to these price elements.

Accordingly, the value for the price element addressing avoided line losses is either 3% or 5% of the sum of the value of the energy and capacity elements. If there is one transformation (from 115 kV to interconnection voltage), then the losses are assumed to be 3%. If there is an additional transformation (from sub-transmission voltage to interconnection voltage), then the losses are assumed to be 5%.<sup>10</sup> In addition, the long-term contract price element is retained at its current levels of a 1% adder to the value of the energy and capacity components of the price for 10-year contracts and a 2% adder for 20-year contracts.<sup>11</sup>

### **B. Farm Methane Plants**

According to Section 8005a(g), farm methane projects remain outside the Standard Offer Program's cumulative plant capacity amount of 127.5 MW, and these projects may request a standard-offer contract at any time. In 2022, the Commission incorporated the review of farm methane prices into the annual proceeding to update the prices available to existing hydroelectric facilities under 30 V.S.A. § 8005a(p)(4).<sup>12</sup>

The Commission has reviewed the 2024 prices finds no substantive reason to change them at this time. Accordingly, we establish a price of \$0.145 per kWh, fixed over the term of the 20-year contract, for large farm methane plants, and a price of \$0.199 per kWh, fixed over the term of the 20-year contract, for small farm methane plants.<sup>13</sup> The large farm methane

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<sup>9</sup> Case No. 21-1090-INV, Order of 12/14/21.

<sup>10</sup> Docket 7874, Order of 3/6/15; Docket 7874, Order of 4/18/16; Case No. 17-3148-INV, Order of 5/25/17; Case No. 17-3148-INV, Order of 3/13/18; Case No. 18-0360-INV, Order of 9/17/19; Case No. 21-1090-INV, Order of 12/14/21; Case No. 22-0829-INV, Order of 3/16/22; Case 23-1860-INV, Order of 8/8/23; and Case No. 24-0822-INV, Order of 6/7/24.

<sup>11</sup> Case No. 18-0360-INV, Order of 9/17/19; Case No. 21-1090-INV, Order of 12/14/21; Case No. 22-0829-INV, Order of 3/16/22; Case 23-1860-INV, Order of 8/8/23; and Case No. 24-0822-INV, Order of 6/7/24.

<sup>12</sup> Case 21-4085-INV, Order of 2/15/22 at 10.

<sup>13</sup> Case No. 19-4466-INV, Order of 06/11/2020; Case No. 20-2935-INV, Order of 4/26/21; and Case 21-4085-INV, Order of 2/15/22; Case 23-1860-INV, Order of 8/8/23; and Case No. 24-0822-INV, Order of 6/7/24.

category includes plants with a nameplate capacity greater than 150 kW, and the small farm methane category includes plants with a nameplate capacity less than or equal to 150 kW.

#### **IV. ORDER**


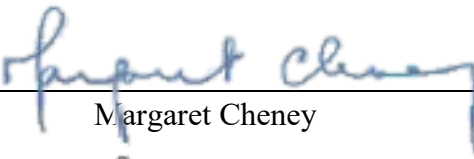
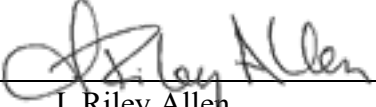
IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission (“Commission”) that:

1. Effective for any standard-offer contract executed after the issuance of this order for existing hydroelectric plants under 30 V.S.A. § 8005a(p), the standard-offer price elements for energy, capacity, environmental attributes, avoided line losses, and the value of long-term contracts shall be as determined in this order.

2. Effective for any standard-offer contract executed after March 1, 2025, pursuant to 30 V.S.A. § 8005a(f)(2), the following will serve as the prices for farm methane projects under the Standard Offer Program: (1) \$0.145 per kWh fixed over the 20-year contract for projects with a nameplate capacity greater than 150 kW; and (2) \$0.199 per kWh fixed over the 20-year contract for projects with a nameplate capacity less than or equal to 150 kW.

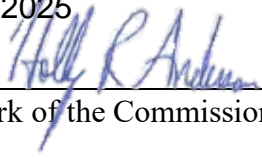
3. This case is now closed.

Dated at Montpelier, Vermont this 3rd day of October, 2025.

	)	
Edward McNamara	)	PUBLIC UTILITY
	)	
	)	COMMISSION
Margaret Cheney	)	
	)	
	)	OF VERMONT
J. Riley Allen	)	

OFFICE OF THE CLERK

Filed: October 3, 2025

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](mailto:puc.clerk@vermont.gov))*

PUC Case No. 25-2370-INV - SERVICE LIST

John Abbott  
Vermont Public Power Supply Authority  
PO Box 126  
5195 Waterbury-Stowe Road  
Waterbury Center, VT 05677  
jabbott@vppsa.com

(for Vermont Public  
Power Supply Authority)

Carolyn M.X. Alderman, Esq.  
VEPP Inc.  
P.O. Box 1938  
Manchester Center, VT 05255  
carolyn@veppi.org

(for VEPP Inc.)

Erik Bailey  
Village of Johnson Water & Light Department  
PO Box 603  
Johnson, VT 05656  
ebailey@townofjohnson.com

(for Village of Johnson  
Water & Light  
Department)

Sarah Braese  
Town of Hardwick Electric Department  
PO Box 516  
123 N. Main Street  
Hardwick, VT 05843  
sbraese@hardwickelectric.com

(for Town of Hardwick  
Electric Department)

Brian Callnan  
Washington Electric Cooperative  
PO Box 8  
East Montpelier, VT 05651  
brian.callnan@wec.coop

(for Washington Electric  
Cooperative Inc.)

Andrea Cohen  
Vermont Electric Cooperative, Inc.  
42 Wescom Road  
Johnson, VT 05656  
acohen@vermontelectric.coop

(for Vermont Electric  
Cooperative Inc.)

Warren Coleman  
MMR, LLC  
45 Court St  
Montpelier, VT 05602  
warren@mmrvt.com

(for GF Power LLC)

Crystal L Currier  
Vermont Public Power Supply Authority  
PO Box 126  
Waterbury Center, VT 05677  
ccurrier@vppsa.com

(for Barton Village Inc.  
Electric Department)

Sierra Dubie  
Town of Hardwick Electric Department  
PO Box 516  
Hardwick, VT 05843  
sdubie@hardwickelectric.com

(for Town of Hardwick  
Electric Department)

William F. Ellis  
McNeil, Leddy & Sheahan  
271 South Union Street  
Burlington, VT 05401  
wellis@mcneilvt.com

(for City of Burlington  
Electric Department)

Elijah D Emerson, Esq.  
Primmer Piper Eggleston & Cramer PC  
P.O. Box 349  
Littleton, NH 03561  
eemerson@primmer.com

(for Village of Enosburg  
Falls Water & Light  
Department Inc.) (for  
Village of Johnson Water  
& Light Department)  
(for Town of Hardwick  
Electric Department)  
(for Town of Northfield  
Electric Department)  
(for Village of Johnson  
Water & Light  
Department)

Marla Emery  
Village of Johnson Water & Light Department  
P.O. Box 603  
Johnson, VT 05656  
memery@townofjohnson.com

Beth Essary  
Town of Hardwick Electric Department  
PO Box 516  
Hardwick, VT 05843  
bessary@hardwickelectric.com

(for Town of Hardwick  
Electric Department)

Brian Evans-Mongeon  
Village of Hyde Park Electric Department  
P.O. Box 400  
Hyde Park, VT 05655  
gm@villageofhydepark.com

(for Village of Hyde  
Park Electric  
Department)



Steven R Farman  
Vermont Public Power Supply Authority  
5195 Waterbury-Stowe rd  
Waterbury Center, VT 05766  
sfarman@vppsa.com

(for Vermont Public  
Power Supply Authority)

Karen Field  
Town of Hardwick Electric Department  
PO Box 516  
Hardwick, VT 05843  
kfield@hardwickelectric.com

(for Town of Hardwick  
Electric Department)

Edward B. French, Jr., Esq.  
Stackpole & French  
PO Box 819  
Stowe, VT 05672-0819  
efrench@stackpolefrench.com

(for Village of Hyde  
Park Electric  
Department) (for Town  
of Stowe Electric  
Department)

James Gibbons  
City of Burlington Electric Department  
585 Pine Street  
Burlington, VT 05401  
jgibbons@burlingtonelectric.com

(for City of Burlington  
Electric Department)

Grace Grundhauser  
Green Mountain Power Corporation  
163 Acorn Lane  
Colchester, VT 05446  
grace.grundhauser@greenmountainpower.com

(for Green Mountain  
Power Corporation)

Scott Johnstone  
Village of Morrisville Water & Light Department  
857 Elmore Street  
Morrisville, VT 05661  
sjohnstone@mwlv.com

(for Village of  
Morrisville Water &  
Light Department)

Michael Lazorchak  
Town of Stowe Electric Department  
PO Box 190  
Stowe, VT 05672  
mlazorchak@stoweelectric.com

(for Town of Stowe  
Electric Department)

Mari McClure  
Green Mountain Power Corporation  
163 Acorn Lane  
Colchester, VT 05446  
ceo@greenmountainpower.com

(for Green Mountain  
Power Corporation)

Abbey Miller  
Village of Enosburg Falls Water & Light Department  
42 Village Drive  
Enosburg Falls, VT 05450  
amiller@enosburg.net

(for Village of Enosburg  
Falls Water & Light  
Department Inc.)

Liz Miller  
Green Mountain Power  
163 Acorn Lane  
Colchester, VT 05446  
Liz.Miller@greenmountainpower.com

(for Green Mountain  
Power Corporation)

John Morley  
Village of Orleans Electric Department  
Municipal Building  
One Memorial Square  
Orleans, VT 05860  
jmorley@villageoforleansvt.org

(for Barton Village Inc.  
Electric Department)

John Morley  
Village of Orleans Electric Department  
Municipal Building  
One Memorial Square  
Orleans, VT 05860  
jmorley@villageoforleansvt.org

(for Village of Orleans  
Electric Department)

Ken Nolan  
Vermont Public Power Supply Authority  
P.O. Box 126  
Waterbury Center, VT 05677  
knolan@vppsa.com

(for Vermont Public  
Power Supply Authority)

Lynn Paradis  
Village of Swanton  
Village of Swanton 120 First St.  
Swanton, VT 05488  
lparadis@swanton.net

(for Swanton Village,  
Inc. Electric Department)

Louis Porter  
Washington Electric Cooperative  
PO Box 8  
East Montpelier, VT 05651  
louis.porter@wec.coop

(for Washington Electric  
Cooperative Inc.)

Jackie Pratt  
Town of Stowe Electric Department  
PO Box 190  
Stowe, VT 05672  
jpratt@stoweelectric.com

(for Town of Stowe  
Electric Department)

James Porter, Director of Public Advocacy  
Vermont Department of Public Service  
DPS-PA@vermont.gov

(for Vermont  
Department of Public  
Service)

Christopher Recchia  
Village of Ludlow Electric Light Department  
9 Pond Street  
Ludlow, VT 05149  
crecchia@ludlowelectric.com

(for Village of Ludlow  
Electric Light  
Department)

Jeffrey Schulz  
Town of Northfield Electric Department  
51 South Main Street  
Northfield, VT 05663  
jschulz@northfield.vt.us

(for Town of Northfield  
Electric Department)

Thea Schwartz  
Vermont Electric Cooperative, Inc.  
42 Wescom Road  
Johnson, VT 05656  
tschwartz@vermontelectric.coop

(for Vermont Electric  
Cooperative Inc.)

William (Bill) Sheets  
Swanton Village, Inc. Electric Department  
120 First Street  
Swanton, VT 05488  
wsheets@swanton.net

(for Swanton Village,  
Inc. Electric Department)

Ronald A. Shems, Esq.  
Tarrant, Gillies & Shems, LLP  
P.O. Box 1440  
Montpelier, VT 05601-1440  
ron@tarrantgillies.com

(for Washington Electric  
Cooperative Inc.)

Darren Springer  
City of Burlington Electric Department  
585 Pine Street  
Burlington, VT 05401  
dspringer@burlingtonelectric.com

(for City of Burlington  
Electric Department)

Emily Stebbins-Wheelock  
City of Burlington Electric Department  
585 Pine Street  
Burlington, VT 05401  
estebbins-wheelock@burlingtonelectric.com

(for City of Burlington  
Electric Department)

Rebecca Towne  
Vermont Electric Cooperative, Inc.  
42 Wescom Road  
Johnson, VT 05656  
rtowne@vermontelectric.coop

(for Vermont Electric  
Cooperative Inc.)

Joseph Vandette, Jr.  
Washington Electric Cooperative  
P.O. Box 8  
East Montpelier, VT 05651  
jj.vandette@wec.coop

(for Washington Electric  
Cooperative Inc.)

James Weber  
Village of Jacksonville Electric Company  
manager@jacksonvilleelectric.net

(for Village of  
Jacksonville Electric  
Company)

Erica Welton  
Town of Lyndon Electric Department  
PO BOX 119  
Lyndonville, VT 05851  
ewelton@lyndonelectric.com

(for Town of Lyndon  
Electric Department)

Meghan von Ballmoos  
VEPP, Inc.  
PO Box 1938  
Manchester Center, VT 05255  
meghan@veppi.org

(for VEPP Inc.)