

Draft Solar Siting Task Force Recommendations Outline v. Jan. 5, 2016

For discussion purposes only

Planning

1. RPC Planning Support

- a. Concern: lack of meaningful energy planning at the regional level.
- b. Solution: expand RPC planning initiative to all regions.
- c. Recommendations:
 - i. No explicit legislative language needed, as DPS is prepared to budget for these.
 - ii. Statement of support from SSTF in recommendations.
 - iii. Potential legislative suggestions:
 1. Making RPCs parties by right, like towns:
30 V.S.A. § 248(a)(4)(F) is added to read:
The regional planning commission for the region in which a facility is located shall have the right to appear as a party in any proceedings held under this subsection. [To take effect upon passage]
 2. Making energy planning mandatory rather than optional for RPCs?
Move from Optional Powers and Duties of RPCs, 24 V.S.A. § 4345(6):
Undertake studies and make recommendations on land development, urban renewal, transportation, economic, industrial, commercial, and social development, urban beautification and design improvements, historic and scenic preservation, the conservation of energy and the development of renewable energy resources, State capital investment plans, and wetland protection.
To Duties of RPCs, 24 V.S.A. § 4345a [potentially with some modification, as these tend to be generic duties and reference specifics in 24 V.S.A. § 4302 (Purpose; goals). May need to instead amend 24 V.S.A. § 4302(c)(7): *To* encourage the efficient use of energy and the development of renewable energy resources. Perhaps to something like: To provide for the conservation of energy, deployment of energy efficiency, and development of renewable energy resources, including identification of areas suitable for sufficient development of environmentally sound, cost-effective energy resources in alignment with state energy goals.

2. Town Planning Support

- a. Concern: lack of meaningful energy planning at the town level.
- b. Solution: capitalize on opportunities for regional energy planning to benefit towns.
- c. Recommendations:
 - i. Statement of support for creation of tools for towns related to RPC planning work, starting with RPCs providing towns with individual town map layers from

RPC work, and development of standard energy modeling and mapping protocols.

- ii. Statement of support for potential development, should funding be made available, of a model town energy plan and protocols or guidelines to towns for energy planning and meaningful town plan language.
- iii. Potential legislative suggestions:
 1. Same as potential legislative suggestion #2 above, amend 24 V.S.A. § 4302 (Purpose; duties), particularly 24 V.S.A. § 4302(c)(7): To encourage the efficient use of energy and the development of renewable energy resources. Perhaps to something like: To provide for the conservation of energy, deployment of energy efficiency, and development of renewable energy resources, including identification of areas suitable for sufficient development of environmentally sound, cost-effective energy resources in alignment with state energy goals.
 2. Amend 24 V.S.A. § 4382 (The plan for a municipality), particularly (9), perhaps as follows:

An energy plan, including an analysis of comprehensive energy resources, needs, scarcities, costs and problems within the municipality, a statement of policy on the conservation of energy, including programs, such as thermal integrity standards for buildings, to implement that policy, a statement of policy on the development of renewable energy resources, a statement of policy on patterns and densities of land use likely to result in conservation of energy, and land-use suitability maps identifying areas of high and low potential for the development of renewable energy resources.

Incentives

3. Incentivize Appropriate Siting of Projects (on the built environment, town-identified areas, and some appropriate greenfields)
 - a. Concern: in seeking the lowest capital and operational costs, projects are locating in greenfield areas that are valuable to communities for other purposes.
 - b. Solution: regulatory and/or financial incentives for projects avoid sensitive environmental, agricultural, and scenic areas.
 - c. Recommendations:
 - i. Regulatory tool recommendations
 1. S. 230 colocation language, which states colocation may be allowed by the Board when:
 - a. Town plan designates a tract of at least 20 acres for such colocation;
 - b. Each net metering system will be on this tract; and
 - c. Each system is pre-approved by the Selectboard

If a town designates a tract for colocation, any system > 15 kW located outside this tract is docked \$0.03/kWh of bill credit.

Potential comments:

- Only makes sense for solar, but language relates to all technologies.
 - What criteria does the set-aside need to meet to ensure that the land towns choose is suitable for solar development and not cost prohibitive?
 - What criteria applies for selectboard withholding approval?
 - Is 20 acres sufficient? Should the docking of incentives for projects outside these areas happen only if a town has designated at least X (50?) acres?
 - Towns may have one or more ideal parcels that each are < 20 acres, but in total are \geq 20 acres
 - In lieu of or in addition to docking \$0.03/kWh for projects outside of town-designated colocation areas, projects located IN said areas could get a conditional waiver of the (b)(1) [orderly development] and (b)(5) [aesthetics] criteria.
 - What about allowing colocation of net-metered solar projects on rooftops and parking structures to ensure that the available space is utilized to its maximum potential?
2. Utilize solar as a tool to transition former wetlands (drained wetlands) in tilled agricultural production to achieve water quality gains; also utilize solar in agricultural drainage ditch buffers.
[Will need statutory language from ANR/AAFM]
- ii. Financial tool recommendations
1. Net Metering: draft proposed net metering rule provides a \$0.02/kWh incentive for **excess production** for projects located (1) On a new or existing structure that has a primary purpose other than the generation of electricity; (2) On a brownfield, as certified by the Agency of Natural Resources; (3) On a sanitary landfill, as defined in 10 V.S.A. §6602; (4) Over a parking lot; or (5) In the disturbed portion of a gravel pit.

Potential comments:

- Because the rule only applies the \$.02/kwh to net excess production, it may be ineffective; revise to apply to all production.
 - Should town-designated areas be added to the list? Or any other “appropriate greenfield areas,” such as the drained wetlands in transition and agricultural ditch buffers discussed above?
2. Standard Offer: S. 230 proposes a 3-year pilot project for preferred locations, starting in 2017. 1/3 of annual increase (7.5 MW in 2016, '17, and '18) to be allocated to plants in gravel pits, landfills, quarries,

landfills, brownfields, roofs, and parking lots. Applies to both independent developer and provider blocks.

Potential comments:

- DPS comments to Board re: 2016 RFP proposed (for this RFP and beyond) 1/3 of annual allocation go to technologies located on non-greenfield sites, subject to specially calculated price cap. If no bids received, capacity would be reallocated to other categories. Minimal provider (utility) block exempted.
- Could support S. 230 proposal with potential modifications including perennial applicability rather than pilot program, reallocation of capacity to other categories if no bids received, and exemption of provider block. Could support immediate implementation via DPS comments.

4. Incentivize Projects That Directly Benefit Neighbors

- a. Concern: Solar projects that include tangible electric system or rate benefits to host communities are less likely to engender opposition.
- b. Solution: Ensure tangible benefits to project neighbors and host towns.
- c. Recommendations:
 - i. Net Metering: draft proposed net metering rule proposes participants of group net metering systems must be located within a 10-mile radius of the system.

Potential comments:

- a. Is 10 miles appropriate/meaningful? Seems to serve as a proxy for "town."
 - b. The 10 mile distance is likely too great to have any grid benefits (siting generation close to load)
 - c. This would serve to limit some Vermonters who live in less densely populated areas from having the opportunity to participate in group net metering.
- ii. Non-Net Metering Projects: pathway to enable portions of non-NM projects to be reserved for participants in host town?
[Need statutory language. This may already be possible under §219(a)(k), but §219 is repealed in 2017; no apparent equivalent in 30 VSA § 8002 or § 8010, though may be possible for PSB to allow for in rule.]

Process, Transparency, and Public Participation

5. Mediation

- a. Concern: participation in the § 248 process is difficult, especially for interveners. A mechanism is needed to facilitate mediation of community concerns with projects, outside of the formal contested case process.
- b. Solution: Enable a mediation pathway for resolution of concerns between project developers and host towns/neighbors.
- c. Recommendations:

- i. Enable PSB hearing officer(s) to play this role, up until the point a case becomes contested
[Need to develop statutory language; is mediation already an option under the VRCP (Title 12 Ch. 194, Uniform Mediation Act)?]
 - ii. Enable PSB to order outside mediation at the point a case becomes contested
[Need to develop statutory language]
 - iii. Consider using process similar to 18 CFR 385.603 (FERC settlement process). Can appoint a settlement officer; finite period of discussions between developer and person requesting settlement conference; settlement officer makes a recommendation to the Board whether to extend settlement period, accept settlement proposal, or go to hearing.
6. § 248 process assistance to developers and the public
- a. Concern: § 248 process can be inaccessible for both the public and developers.
 - b. Solution: Customer assistance for those seeking to participate in the process.
 - c. Recommendations:
 - i. S. 230 would require the Board to employ a “Public Assistance Officer,” who would provide guidance and answer questions from parties and members of the public regarding procedural and case status matters.

Potential Comments

- Siting Commission recommendation was for the Board to hire a *Case Manager* to provide guidance on all aspects of the siting application process to all parties, particularly as they relate to timing. The Siting Commission also recommended that the PSB enable Hearing Officers to have procedural discussions with parties or the public.
 - ii. Statement of support to encourage the electronic filing system initiative underway at the PSB.
7. Participation of Agency of Agriculture
- a. Concern: Agency of Agriculture, Food & Markets (AAFM) is limited in its ability to advocate for conservation of primary agricultural soils in the § 248 process.
 - b. Solution: Provide AAFM with tools to participate more effectively in the § 248 process.
 - c. Potential legislative suggestions:
 - i. For ground-mounted solar projects that impact agricultural soils, AAFM should become a “party by right” in the section 248 process, and be given the right to intervene under Board Rule 2.209(A), *intervention as of right*.
30 V.S.A. § 248(a)(4)(F) is added to read:
The Vermont Agency of Agriculture, Food & Markets shall have the right to appear as a party in any proceedings held under this subsection. For solar projects, participation shall be limited to ground-mounted solar projects that impact agricultural soils. [To take effect upon passage]
 - ii. AAFM should be given “bill back” authority for its involvement in applications.
30 V.S.A. § 21 is amended to read:
(a) The Board, the Department, ~~or~~ the Agency of Natural Resources, or the

Agency of Agriculture, Food & Markets may allocate the portion of the expense incurred or authorized by it in retaining additional personnel for the particular proceedings authorized in section 20 of this title to the applicant or the public service company or companies involved in those proceedings.
[Other parts of this section would need to be amended as well]

DRAFT