

MEMORANDUM

To: All Vermont Electric Transmission and Distribution Utilities
Vermont Department of Public Service
Interested Persons

From: Susan M. Hudson, Clerk of the Board

Re: Written Comments and Workshop Regarding Implementation of Act 61
(including SPEED program and other renewables issues, Energy Efficiency Utility changes, interconnection standards for distributed generation, etc.)

Date: August 1, 2005

Act 61 (formerly S.52) passed both houses of the legislature and was signed by the Governor last month. This new legislation authorizes the Vermont Public Service Board ("Board") to implement many of its provisions, including, among others, those related to:

- the creation of a Renewable Portfolio Standard;
- the establishment of the Sustainably Priced Energy Enterprise Development ("SPEED") program;
- the development of interconnection standards for distributed generation;
- the establishment of a system of tradeable renewable energy credits;
- the development of disclosure requirements for electricity providers regarding generation sources;
- the determination of an appropriate budget level for Vermont's Energy Efficiency Utility now that the statutory cap on that funding has been removed;
- the possible development of a combined heat and power program as an energy efficiency program;
- the development of a mechanism under which customers could apply for an exemption from paying some or all of the Energy Efficiency Charge;
- consideration of performance-based regulation for electric and gas utilities;
- least-cost integrated planning for transmission services; and
- various reporting requirements.

This is clearly an extensive list of tasks, some of which have deadlines for completion set forth in the statute. The Board is currently considering what procedures it

should use to implement the various aspects of Act 61, and would like to receive input on this question from companies, organizations, and persons interested in how the new legislation is implemented.

Therefore, the Board has scheduled a workshop to discuss *procedural issues* associated with the implementation of Act 61. **This workshop will be held at 1:30 p.m. on Wednesday, August 31, 2005**, in Room 11, located on the 1st Floor of the Vermont State House, 115 State Street, Montpelier, Vermont. This workshop is open to all interested persons.

In order to make the best use of the available time for the workshop, the Board asks that parties with procedural recommendations **file written comments on or before August 24, 2005**. These comments should be submitted in both paper and electronic format.¹ The Board will place the electronic versions of the comments on its website by close of business on August 26, 2005, so all interested persons may review them prior to the workshop. The Board encourages parties to coordinate their comments, when possible.

There are several procedural issues that the Board asks parties to address in their written comments and at the workshop. First:

- How do the various aspects of Act 61 interact with each other and with real-world situations currently facing Vermont utilities and other affected parties?

The answers to this question will provide the Board with a broad context that is grounded in practical considerations as the Board considers how to implement Act 61. The answers will help the Board keep the bigger picture in mind as it considers how to divide the tasks up into different proceedings for implementation purposes, and how to schedule those proceedings.

More specific issues the Board would like parties to address include:

- How should the Board divide the various implementation tasks up among proceedings? (Note that the Board has already held a workshop on integrated transmission planning and obtained recommendations regarding how to proceed with this task; parties do not need to provide further recommendations in response to this memorandum.) Should the Board consider using "tracks" for related items, such as those related to renewables, and those related to the Energy Efficiency Utility? Should the Board focus on each implementation task individually? What division will be administratively efficient for potential parties and the Board, while at the same time, lead to the best public policy outcome for Vermont?

¹ Electronic filings should be addressed to: Clerk@psb.state.vt.us

- How can the Board ensure coordination among the various proceedings? Are certain items so closely related that coordination is essential? If so, how should this take place?
- What procedures should the Board use to implement the various tasks? For example, should the Board use rulemakings, contested case proceedings leading to Board orders, or dockets that are not contested case proceedings leading to Board orders? Should the Board hold workshops on particular issues? The Board expects that different procedures may be appropriate for different tasks.
- What schedules should the Board follow in the various proceedings, keeping in mind those deadlines that are specified in the statute? How should the Board prioritize the proceedings if there are resource constraints?
- Any other procedural issues parties would like to bring to the Board's attention.

Parties are asked to remember that the workshop and written comments should focus on *procedural issues only*. There will be additional opportunities in the future for parties to provide substantive recommendations on the various tasks.