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STATE OF VERMONT GENERAL ASSEMBLY RENEWABLE ENERGY STANDARD REFORM WORKING GROUP

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Minutes

Wednesday, December 13, 2023 10:30 AM – 12:30 PM State House, Room 11 Virtual Meeting *Livestream Link*

For questions, or to provide public comment, please email Sorsha at <u>sanderson@leg.state.vt.us</u>

10:30 A.M. Opening Comments & Announcements [0:03]

Senator Bray & Representative Sheldon, Co-Chairs

Agenda Review [4:56]

Jennifer Knauer, Facilitator

10:50 A.M. Brattle Group: Macro-Economic Modeling Results [16:26] Dean Murphy, Principal at the Brattle Group Wonjun Chang, Senior Associate & Economist at the Brattle Group Jennifer Knauer, Facilitator All Working Group Members Participate

- Presentation of current modeling results, abbreviated
- Q&A

Updated slides from 12/13/23 are posted on the Legislative Working Group's webpage. Please refer to the recording for the Q&A exchange.

Follow-up Item:

Mia Watson of the Vermont Housing Finance Agency raised this question in the meeting, for follow-up with Brattle Group. The question, per Mia in a follow-up email: Brattle Group slides on changes to household consumption note that "All income groups spend far more on services and energy-intensive manufacturing goods, goods that experience the highest price increase due to RES." I can understand how RESrelated activities could impact the cost and therefore consumption of services, but I am not clear how RES changes would significantly impact the consumption of manufactured goods at a Vermont household level, as most of those consumer goods are produced out of state. I'd like to better understand all the components used to model to consumption here.

Written Response from Wonjun Chang, of the Brattle Group, shared via email dated 12/13/24: The issue is less about where the energy intensive manufacturing goods (e.g., paper, food, transportation equipment) are produced, but how they are consumed. If the RES scenario requires Vermont's electricity sector to invest in new facilities, this expansion in generating capacity will require the use of industrial inputs, particularly from the services and energy-intensive manufacturing sectors. This also means that the electricity sector will increase the demand for these goods, raising prices for all consumers (households and producers in the economy). Household consumption is impacted since households do not substitute away too freely from consuming services and energy-intensive manufacturing goods.

I will note that, energy-intensive manufacturing goods that are consumed in the electricity sector and those consumed by households can be different in the types consumed and their consumption amounts. In some cases, the electricity sector and households will not be competing for the same types of energy-intensive manufacturing good. But because our model has one aggregated "energy-intensive manufacturing" sector and one aggregated good produced from this sector, the simulated demand effects of energy-intensive goods maybe higher than it actually is. Thanks, -- Wonjun.

11:15 A.M. Discussion leading up to vote to confirm "Report of the Legislative Working Group on Renewable Energy Standard Reform, Pursuant to 2023 Acts and Resolves No. 33 Amendments," currently in DRAFT form. [43:38] Jennifer Knauer, Facilitator All Working Group Members Participate Ellen Czajkowski, Legislative Counsel

> Anticipated Sections have been outlined below and will be considered in the order in which they appear in the list. There will be an opportunity to briefly raise & discuss edits, followed by a formal vote to confirm each section. Votes will be taken by roll call, followed by opportunities to comment at the discretion of the Co-Chairs – in most cases, limiting explanations to 20-30 seconds per speaker.

- Present Overview of Report (Ellen Czajkowski, Legislative Counsel)
- Discussed needed adjustments, prior to a formal vote among the working group members to confirm a final version of draft report (noted below).
- Final Vote to approve a draft report of the working group (results summarized below).

Anticipated Sections to Review & Vote to Confirm:

- A. List of Appendices, Working Group Members, Introduction, Working Group Charge, Duties.
- B. Summary of Straw Polls & Discussion from November 29, 2023.
- C. Working Group Proposed Legislation.
- D. Discussion of Proposed Legislation.

Co-Chairs called for a vote to confirm the Draft Report *assuming integration of the following edits & adjustments (A-E)*:

- A. Shift sections that include Working / Proposed Legislation and Discussion of Working / Proposed Legislation to the Appendices. Add these sections as an Appendix (Appendix 3), with the edits / caveats noted below in (B).
- B. Rename Sections (and any associated cross-references) of "Working Group Proposed Legislation" and "Discussion of Proposed Legislation" to a title that reflects that the working group did not have time to fully develop its proposal before the end of its process. Multiple group members commented that the sections (as currently titled) may be misleading.
 - Suggested replacement headings: "Legislative Counsel's Understanding [Summary] of a Beginning Working Draft for Proposed Legislation."
 - Working group members stressed that this draft legislation is incomplete and reflects *considerations* rather than *recommendations* emerging from discussion, given that several components have yet to be defined and may impact the extent to which group members recommend what is currently articulated in the working draft of proposed legislation.
 - Examples of the components for proposed legislation that are still under consideration and development may be found in the Summary of Straw Polls & Discussion from November 29, 2023, and in Appendix 4, Additional Comments from Working Group Members.
 - C. Remove the second half of this phrase found on page 18 of the current draft report, under the "Discussion of Proposed Legislation" Section, reading: The Working Group considered whether to change the definition of what resources qualify for Tier 2 and ...*decided not to recommend any changes at this time.*" The group did not actively decide whether or not to address resources that qualify for Tier 2. There is not a set of straw poll votes to indicate a majority opinion at this point.
 - D. Add an Appendix 4, "Additional Comments from Working Group." Appendix 4 will collate the various proposals and considerations that working group members are currently developing, but have not had the opportunity to share and discuss as part of the Working Group Meetings. Working Group Members have through the close of business on Monday, December 18, 2023 to submit an entry if they wish to do so.

E. Senator Bray will add an introduction to Appendix 4, "Additional Comments from the Working Group" to include the following:

- Acknowledgement that there is still work to do;
- Summary of themes missing from the current working draft of proposed legislation noting that these themes were raised frequently in discussion but have not distilled into a proposal for legislative language. These include and may not be limited to:
 - RES requires an approach that acknowledges the uniqueness of each utility / region needs not "one size fits all"
 - Defining a reasonable ACP for Tier 1a
 - Accommodations for utilities that are already at 100% Renewable
 - Discussion about net metering
 - Qualifying resources in Tier 2 ambiguity about hydropower noted

11:50 BREAK

12:00 P.M. **Reconvene: Vote** [0:02]

Assuming all the edits noted above are incorporated into the Draft Report, Co-Chairs called for a vote to confirm the document as an accurate record of this group's work. Result of Vote:

16 – YES. 2 – NO. 2 – Absent from meeting at time of vote.

Members voted as follows:

Working Group Member, Organization	Absent at time of vote	YES	NO
Senator Anne Watson	Х		
Representative Laura Sibilia		Х	
Jeffry Cram, GlobalFoundries		Х	
William Driscoll, Associated Industries of Vermont		Х	
Michael Lazorchak, Stowe Electric Department			X
Shana Louiselle, Vermont Electric Authority		Х	
Brian Evans-Mongeon, Village of Hyde Park			X
Candace Morgan, Green Mountain Power		Х	
Ken Nolan, Vermont Public Power Supply Authority		Х	
Christopher Pearson, Sierra Club		Х	
Louis Porter, Washington Electric Cooperative		Х	
Brian Shupe, Vermont Natural Resources Council		Х	
Darren Springer, Burlington Electric Department		Х	
Peter Sterling, Renewable Energy Vermont		Х	
Rebecca Towne, Vermont Electric Cooperative	Х		

Ben Edgerly Walsh, Vermont Public Interest Research	X
Group	
Mia Watson, Vermont Housing Finance Agency	X
Chase Whiting, Conservation Law Foundation	X
Senator Christopher Bray (Co-Chair)	X
Representative Amy Sheldon (Co-Chair)	X

12:30 P.M. Public Comment [31:31]

Susan Smiley, New Haven Tom Perry, Hinesburg Steve Crowley, South Burlington Anna Geldert, Middlebury College Anne Thompson, Middlebury College Ashley Adams, South Burlington

12:40 P.M. Adjourn

Requested Action: Working Group Members who wish to submit an entry for Appendix 4, "Additional Comments from Working Group Members" are invited to do so. Submit entries by the close of business on Monday, December 18, 2023 to Jennifer Knauer: jenknauer@gmail.com

The Recording from this meeting and the final "Report of the Legislative Working Group on Renewable Energy Standard Reform, Pursuant to 2023 Acts and Resolves No. 33 Amendments" will be posted to this group's Committees & Studies webpage on the VT Legislative Joint Fiscal Office website.