

State of Vermont
Department of Human Resources
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Agency of Administration

**TO: Joint Fiscal Committee
Government Accountability Committee
House Committee on Government Operations
Senate Committee on Government Operations**

FROM: Maribeth Spellman, Commissioner

DATE: September 27, 2016

SUBJECT: Agency of Natural Resources Position Pilot Request

In accordance with Act 179, Sec. E.100(d) as amended by 2015 Acts and Resolves No. 4, Sec. 74 and Acts and Resolves No. 172, Sec. E.100.2 in 2016 to include the Agency of Natural Resources (ANR). Secretary of Administration Justin Johnson has approved the attached position pilot request from ANR.

The written description required by Act 179, Sec. E.100(d)(4), including the method for evaluating the cost-effectiveness of the positions, as provided by ANR, is attached for your information.

The Department of Human Resources fully supports the request to create two positions with the Position Pilot Program. We believe the request is an appropriate use of the Position Pilot. Department of Human Resources has reviewed vacancies at ANR and has determined all vacancies are under active recruitment.

Summary of the Agency of Natural Resources Central Office Position Pilot request

ANR proposes creating two limited service positions (one two-year limited service and one three-year limited service) funded within existing departmental federal and special fund appropriations. The positions will be paid for by a transfer of carryforward funds from FY 16 and through existing funding available within the Natural Resource Management Fund (CPG application fees). The following positions will be limited service to allow for financial flexibility in future years.

System Developer III – The two-year limited position will work in the ANR Information Technology Division supporting the Natural Resource Board by creating a fully searchable public database of all Act 250 permits and an electronic application system. The position is being requested as limited service because it is expected the work will be completed within two years. The funding will be available by an inter-departmental transfer from the NRB's Act 250 fees. Funding has been requested through NRB's August 2016 carry forward memo. This position will avert the need to contract with a vendor to accomplish this work.





Senior Planner & Policy Analyst – This position will play a lead role in coordinating ANR’s involvement in Act 174 implementation and the development of municipal enhanced energy plans. The position will support the planning director and will coordinate review of the energy projects, related policy development, and focus on creating additional efficiencies. By adding this position ANR will be able to better absorb the high volume of critical work related to ensuring that renewable energy projects are deployed consistent with other state and federal laws.

Any questions should be directed to Molly Paulger at 828-3517.

c: Secretary Markowitz
M. Paulger





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Agency of Administration

TO: Justin Johnson, Secretary of Administration
FROM: Maribeth Spellman, Commissioner
RE: Agency of Natural Resources Position Pilot Request
DATE: September 23, 2016

On September 2, 2016, I received the attached Position Pilot Proposal from the Agency of Natural Resources Central Office (ANR) based on Act 179, Sec. E.(100)(d)(4) from the 2014 Session and amended by Act 172, Sec. E.100.2(1) in 2016, to include ANR in the Position Pilot. Below is our recommendation and summary of our analysis.

The Department of Human Resources fully supports the request to create two positions with the Position Pilot Program. We believe the request is an appropriate use of the Position Pilot. Department of Human Resources has reviewed vacancies at ANR and has determined all vacancies are under active recruitment.

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Any questions should be directed to Molly Paulger at 828-3517.



To: Justin Johnson, Secretary of Administration, and Maribeth Spellman,
Commissioner of Human Resources
Cc: Michael Clasen, Deputy Secretary of Administration
From: Deb Markowitz, Secretary of Natural Resources
Date: September 2, 2016
RE: Position Pilot Proposal to Agency of Administration

EXECUTIVE SUMMARY

The Agency of Natural Resources (ANR) Central Office is proposing to add two limited-service positions: (i) an IT Developer who will design and implement needed information technology (IT) improvements within the Natural Resources Board's (NRB) Act 250 permit process, and (ii) a Senior Planner to ensure timely and high quality review of applications for renewable energy generation projects and to support regional and municipal enhanced energy planning, as provided for in Act 174.

First, ANR proposes to hire a two-year limited service IT position to be responsible for the design, development, and testing of desktop and web solutions. Funding for the position will be through an inter-departmental transfer to ANR from NRB's Special Fund #21260 (Act 250 permit fees). The estimated cost of the position is \$100,000 per year. ANR and NRB are partnering to improve NRB's information technology systems devoted to managing Act 250 land use permit applications. These improved systems will enhance service to the regulated community and general public and also increase the administrative capacity within NRB's central and regional offices.

Next, ANR proposes to hire a three-year limited service position within the Office of Planning and Policy that will support the planning director by managing ANR's participation in Public Service Board Certificate of Public Good proceedings. It is particularly important that we get this position in place as we do not currently have the capacity to respond to an increase in project volume that will result from the state's new net metering program that will launch in 2017. The position will also coordinate ANR's technical support for the enhanced energy planning contemplated by Act 174. The estimated cost of the position is \$100,000 per year, and all funding will come directly from the Natural Resources Management Fund, fund #21475 (CPG application fees.) The added capacity will allow ANR's regulatory review to keep pace with the deployment of renewable generation necessary to meet the state's renewable energy standard and will provide critical assistance to communities as they plan for the state's renewable energy transformation at the local and regional scale.

BACKGROUND

A. Working with ANR's "Lean" team, NRB identified two important business process improvements during a December, 2015 Lean event focused on the Act 250 application process. These improvements will provide better public access to current and historical Act 250 permit information, reduce duplicate data entry and provide applicants with a tool for filing and tracking Act 250 applications online.

The Lean event identified considerable time spent responding to customer inquiries on application status, responding to document requests, and entering data and documents into multiple overlapping systems. For example, administrative staff enter data about Act 250 applications into two databases, one used by the public to access pending applications and one used by NRB program staff to monitor caseloads and produce reports.

- The first recommendation following from the Lean event was to modernize and consolidate the current NRB application and file information technology systems. If implemented, this would result in a new searchable, web-based Act 250 database site to provide public access to in-process Act 250 applications and legacy permit files. This database application would also consolidate several existing internal and external facing databases used by Act 250 staff, reducing duplicate data entry, improving data quality, and saving staff time. The public database will incorporate collaboration and workflow functions to facilitate timely and coordinated review of current Act 250 applications by Act 250 staff, District Commissioners, and state agencies.
- The increased internal capacity created by this application would also lead to enhanced customer service by enabling NRB to transition to an online application submittal process. As such, the second recommendation from the Lean event was to develop a fully electronic, web-based e-filing system that would enable Act 250 applicants to submit application forms and documents on line, eliminating paper from the application process. Information entered by applicants will populate the Act 250 database described above, enabling applicants to save and reuse application data such as contact information, property location, and project-specific details. This will reduce cost and save time for Act 250 applicants (NRB's customers!), both of which have been identified as important goals.

In order to accomplish this initiative, NRB is partnering with ANR IT to complete these two integrated projects, because NRB lacks dedicated IT staff of its own. ANR has developed similar online resources to support its own permit programs. In addition, the NRB also worked with IT staff from the Agency of Commerce and Community Development (ACCD) to define the scope of business requirements for the project, identifying objectives, goals, scope and ranking business requirements according to need. This project development support from ACCD reflects the agency's mission of promoting economic development consistent with Vermont's land use and planning statutes.

B. ANR plays a critical role in transitioning Vermont towards the state's goal of 90% renewable energy by 2050. State statute requires ANR to participate in Public Service Board (Board) Certificate of Public Good (CPG) proceedings, providing the Board evidence and recommendations regarding the natural resource impacts of proposed energy projects. ANR also provides extensive policy guidance, technical assistance and information to the energy development community, utilities, interested citizens and municipalities regarding the siting of energy projects and strategies to maximize the greenhouse gas reduction benefits of renewable energy generators. The Office of Planning and Policy (OPP) coordinates ANR's energy project review, policy develop and external relations. OPP currently consists of three staff: the planning

director and two regulatory policy analysts. Recognizing the high volume of critical work undertaken by OPP in order to ensure that renewable energy projects are deployed consistent with other state and federal environmental laws, the Vermont General Assembly established a new fee for CPG applications to support roughly 35% of OPP's budget at the conclusion of the 2015 legislative session.

Applications for new energy projects have increased dramatically over the past three years (for instance 106 CPG applications for solar projects greater than 15kW were received in 2013, rising to 252 applications in 2015), and application numbers are poised to spike again as a new net metering program comes on-line in 2017. In addition to the new net metering program, which will prioritize development of complex sites such as landfills and brownfields that require extensive ANR review, the state's Renewable Energy Standard (RES) requirements become effective in 2017, prompting additional, larger scale renewable energy projects and requiring enhanced coordination with the state's electric utilities. Additionally, Act 174 of 2016 created the opportunity for towns and regions to develop enhanced energy plans, which, if consistent with state's energy goals, will garner substantial deference with regards to energy siting decisions at the Board. ANR is working closely with the Public Service Department to support this effort and will need to provide extensive assistance to regional planners and municipalities regarding the appropriate consideration of natural resource constraints as enhanced energy plans are developed.

Given the steady increase in CPG applications over the past three years, the anticipated additional increase in applications as new state incentive programs and portfolio standards come on-line in 2017 and a new, complex statewide energy planning initiative, ANR seeks to add a new limited service position, a Senior Planner in the Office of Planning and Policy. Without this position, ANR will struggle to deliver timely and high quality review of these projects in this next, critical stage of renewable energy deployment in Vermont and support the new net metering program, the RES and statewide energy planning. Lack of capacity will slow the regulatory process, impede the deployment of renewable energy across the state and hinder municipal and citizen involvement in the energy permitting process.

POSITION DESCRIPTIONS

Systems Developer III – In order to support NRB's critical initiative to create a fully searchable public database of all Act 250 permits and an electronic application system, ANR proposes to hire a two-year limited service position that is responsible for the design, development, and testing of desktop and web solutions. The NRB will provide funding for the position through an inter-departmental transfer from its Special Fund #21260 (Act 250 fees) to this position. To facilitate that inter-departmental transfer, NRB will submit a Request to Expend Excess Fee Receipts to make these funds available to the Agency of Natural Resources. NRB identified the use of these funds for this purpose in its August 1, 2016 Carry Forward memorandum to the Commissioner of Finance and Management. The estimated cost of the position is \$100,000 per year, and the project is expected to be completed within two years.

Although the position will be dedicated to the NRB, it will be hired and supported within the ANR Information Technology Division. ANR has the technical expertise to develop and deploy

the Act 250 Database and E-filing system (the Project), and with this additional staff resource, ANR IT will have the capacity to complete the work without impacting its own IT priorities. The NRB and ANR currently share business administration functions, Human Resource services and IT desktop support. The ANR IT staff built and maintains one of the existing Act 250 databases so they are already familiar with the NRB's needs. It is likely that ANR IT will support the database and application platforms after completion of the project, therefore it makes sense for this partnership rather than to pursue an outside vendor.

Senior Planner and Policy Analyst – This proposed three-year limited service position, funded through CPG application fee revenue, will support the ANR planning director and coordinate ANR regulatory review of energy projects, development of related policies and focus on creating additional efficiencies within the ANR's CPG review process. This position will play a lead role in coordinating the ANR's involvement in Act 174 implementation and the development of regional and municipal enhanced energy plans. Current staffing in the ANR's Office of Planning and Policy consists of the planning director and two regulatory policy analysts, this position will be senior to the two analysts and assist the director with the day to day management of the office and assume certain responsibilities for representing the Agency at interagency and external meetings regarding energy and land use policy. The estimated cost of the position is \$100,000 per year, and all funding will come directly from the Natural Resources Management Fund, fund #21475.

Position Title	Pay Grade	Estimated Annual Cost	Funding Source	Permanent or Limited Service	Summary
Systems Developer III	26	\$100,000	Act 250 Permit Funds	Limited Service	Develop priority information technology (IT) improvements within the Natural Resources Board's (NRB) Act 250 permit process.
ANR Senior Planner & Policy Analyst	26	\$100,000	Section 248 CPG Application Fee Funds	Limited Service	Ensure timely and high quality review of applications for renewable energy generation projects and support regional and municipal enhanced energy planning, as provided for in Act 174.
Position Title	Pay Grade	Estimated Annual Cost	Funding Source	Limited Service	Summary