



State of Vermont  
**Public Service Board**

MEMORANDUM

To: Participants in PSB Docket Nos. 7873 & 7874

From: Judith C. Whitney, Deputy Clerk of the Board *JCW*

Re: Follow-up Proceedings Regarding Implementation of 30 V.S.A. § 8005a(d)(2); and  
Notice of Workshop

Date: August 8, 2013

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On March 1, 2013, the Vermont Public Service Board ("Board") issued an Order in this proceeding addressing programmatic changes to the Sustainably Priced Energy Enterprise Development ("SPEED") standard-offer program, pursuant to 30 V.S.A. §§ 8005a and 8006a. In that Order, the Board remanded Docket No. 7873 to staff in order to conduct such additional proceedings as are necessary to address several outstanding programmatic issues, including: (1) the potential for including a value-based mechanism and a sufficient benefit test to be used in the Board's evaluation of projects that seek to participate in the standard-offer program; (2) the potential for expanding the identification of constrained areas to include distribution-constrained areas for purposes of determining when projects should be treated as outside the programmatic cap; (3) determining avoided-cost figures applicable to utilities participating in the Provider Block; and (4) establishing a minimum amount of the cumulative capacity of the program to be set aside for each of the statutorily identified technologies, pursuant to Section 8005a(c)(2).

Value-Based Mechanism and Sufficient Benefit Test

In the March 1 Order, the Board established a request-for-proposal ("RFP") mechanism to select the standard-offer projects that will fill the cumulative capacity of the program, pursuant to Section 8005a(c). Several parties had advocated that the Board incorporate a value-based approach into the RFP assessment. The Board declined this approach but recognized the potential benefits of such an approach and supported further discussions to attempt refinement of such approach. In addition, the Board remanded Docket 7873 to Board staff in order to conduct additional proceeding as necessary to further develop a sufficient benefit test to be used in the Board's evaluation of projects outside the cumulative capacity pursuant to Section 8005a(d)(2). Parties are requested to

file any proposals for a value-based approach and any updates regarding the sufficient benefit test no later than **September 27, 2013**.<sup>1</sup>

#### Distribution-level Screening Framework and Guidelines

In the March 1 Order the Board established a Screening Framework and Guidelines, pursuant to Section 8005a(d)(2), that will provide potential developers with adequate information, at least annually, regarding transmission-constrained areas in which renewable generation having particular characteristics may provide sufficient benefit to the operation and management of the electric grid to warrant being treated outside the cap. The Board remanded Docket No. 7873 to staff in order to conduct such additional proceedings as are necessary to expand for future years the scope of eligible grid constraints to include distribution.

The Board understands that the Vermont System Planning Committee ("VSPC") has been actively considering this topic. The VSPC, or one of its members, is requested to file a proposal for a screening framework and guidelines that would address distribution-level constraints no later than **September 27, 2013**. A **workshop** to discuss the proposal will be convened on **October 8, 2013, at 9:30 A.M.** in the Board's Third Floor Hearing Room in the People's United Bank Building, 112 State Street, Montpelier, Vermont. The workshop will be recorded by a court reporter.

#### Technology Allocation

In the March 1 Order the Board established that a minimum amount of the entire cumulative 127.5 MW capacity of the program should be set aside for each of the statutorily identified technologies, pursuant to Section 8005a(c)(2), without establishing those minimums at that time. The Board remanded Docket No. 7873 to staff in order to conduct such additional proceedings as are necessary to review the outcome of the 2013 RFP processes and to further investigate this issue. Board staff request comments regarding establishing minimum technology allocations, at this time given the outcome of the 2013 RFP processes, by **September 4, 2013**.

#### Provider Block

In the March 1 Order, the Board stated that it would open an investigation to determine avoided-cost figures applicable to utilities participating in the Provider Block. Board staff requests comments on what procedural steps the Board should take to determine avoided-cost figures for the Provider Block. Board staff also requests substantive comments on any issues the Board should consider in making such a determination. All comments should be filed by **September 27, 2013**.

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1. Filings have been made by a number of parties regarding the sufficient benefit test subsequent to the March 1 Order.