

# ASSOCIATED INDUSTRIES OF VERMONT

REPRESENTING THE VERMONT INDUSTRIAL AND BUSINESS COMMUNITY SINCE 1920

August 15, 2022

Department of Public Service  
Attn: Renewable Policy and Program Comments  
112 State Street  
Montpelier, VT 05620-2601

RE: Initial Request for Input on Comprehensive Review of Vermont's Renewable & Clean Electricity Policy and Programs; Responses to RFI

AIV is happy to provide the following responses to the above referenced RFI and we look forward to participating in this important process.

## **Topic 1: Timeline for Policy Review and Stakeholder Engagement**

The 18 month timeline is more realistic for adequately addressing the issues at stake and developing proposals.

Because we recognize that the economic impacts and consequences of cost, reliability, and timing/predictability must be central to this discussion, we strongly recommend including commercial and industrial customers and the organizations that represent them, such as AIV, in stakeholder engagement.

We would further note that while all the engagement methods outlined by the Department can have value, ensuring that engagement and discussion is informed about practical contexts like technical capabilities, costs and the consequences of costs, and other considerations is important in realizing that value. This can especially be the case with regard to surveys or polls.

## **Topic 2: Decision Criteria**

Given Vermont's already low carbon electric portfolio and the relatively small contribution of electricity to Vermont's overall carbon footprint, and considering the larger context and economic implications of Vermont's high electricity costs, we believe that cost should be the central decision criteria within the context of meeting current and any reasonable new carbon reduction goals. Policies should be designed to pursue overall carbon goals in the most cost effective manner, and current and possible new goals should be weighed and possibly adjusted considering costs and benefits.

As is always the case in considering cost and economic impacts of energy policy, reliability is a complementary criterion as well.

## **Topic 3: Key Issues for Consideration**

The overarching and primary goal within the context of reducing the carbon footprint of the state's electricity portfolio should be minimizing overall costs and in particular reducing the cost burdens on key commercial and industrial customers to the extent that the overall economic welfare of the state can be enhanced.

In pursuit of this, we believe that at least three key issues should be considered:

- Eliminating or phasing out policy constraints on generation technology, scale, and location to allow maximum flexibility for utilities to meet overall carbon goals in the most cost effective and reliable manner.
- Eliminating or phasing out policies that require utilities to purchase power at above market rates or higher than alternatives consistent with the same carbon reduction goals, and/or that create cost shifts between customers without increasing the overall economic welfare or reducing overall costs for customers generally.
- Weighing carefully the marginal benefits of progress toward existing and any new proposed carbon goals and timelines relative to cost, reliability, and economic impacts.

### **Additional Comments**

We would recommend that this process include review and consideration of relevant policies in other states and additional jurisdictions, and that consideration of new and model policies include not only ways to minimize costs in the direct context of carbon reduction, but also other energy-related policies aimed at economic development that might help offset cost impacts related to carbon-focused policies.

Again, we appreciate the opportunity to provide this initial input and look forward to the process going forward.

Sincerely,



William Driscoll  
Vice President