

4.300 SUSTAINABLY PRICED ENERGY ENTERPRISE DEVELOPMENT PROGRAM

4.301 Purpose

The purpose of this rule is to implement the Sustainably Priced Energy Enterprise Development ("SPEED") program created under 30 V.S.A. § 8005. The goal of the SPEED program is to achieve the goals of 30 V.S.A. § 8001 related to the promotion of renewable energy and long-term stably priced contracts for such energy that are anticipated to be below the market price.

4.302 Scope

This rule applies to all Vermont electric distribution and transmission utilities, to any facilitator appointed by the Commission under this rule, and to any in-state generation facility eligible to be a SPEED project. This rule addresses the establishment of the SPEED program, the appointment of a SPEED Facilitator, and the SPEED Facilitator's role in identifying and procuring SPEED resources. The rule does not address bilateral or multilateral arrangements under which Vermont utilities purchase power from renewable resources without the involvement of the SPEED Facilitator and shall not be construed as restricting utilities' abilities to enter into such contracts on other terms. The provisions of this rule shall not apply to net metering projects under 30 V.S.A. § 219a and Commission Rule 5.100.

4.303 Definitions

For purposes of this rule, the following definitions apply:

- (A) "Allocate equally" or "allocated equally," when used in reference to apportioning costs between a set of one or more SPEED project owners and a set of one or more Vermont utilities, means that half of the costs to be apportioned are allotted to the SPEED Projects collectively and half of the costs to be apportioned are allocated to the Vermont utilities collectively.
- (B) "Auction" means a public sale of energy, capacity, ancillary services, or other electricity products produced by a SPEED project to the highest bidder.
- (C) "Commission" means the Vermont Public Utility Commission.
- (D) "Capacity" means the capability to produce, transmit or deliver electric energy, measured in megawatts (MW) or kilowatts (kW).
- (E) "Certification" means a determination by the Commission that a generation facility constitutes a SPEED project.
- (F) "CHP" means combined heat and power facilities, which in turn are defined as facilities that produce both electric power and thermal energy from a single process.
- (G) "Department" means the Vermont Department of Public Service.
- (H) "Energy" means electric energy measured in megawatt-hours (MWh) or

- kilowatt-hours (kWh).
- (I) "Existing generation facility" means a generation facility that existed and was placed in service on or before December 31, 2004.
 - (J) "Facilitator" means a SPEED Facilitator appointed by the Commission under Section 4.306 of this rule.
 - (K) "Interconnecting utility" means the utility to whose electric system a SPEED project is connected.
 - (L) "ISO-NE" means the Independent System Operator of New England or any successor entity that fulfills the same functions.
 - (M) "LMP" means locational marginal price for the product or service produced by a generation facility at the node where the facility delivers such product or service to the interconnecting utility as calculated by ISO-NE, under its rules, as those rules may be amended, or any equivalent pricing mechanism designed to serve the same or similar function.
 - (N) "New renewable energy" is as defined in 30 V.S.A. § 8002(4).
 - (O) "Nonqualifying SPEED resource" is as defined in 30 V.S.A. § 8002(6).
 - (P) "Qualifying SPEED resource" is as defined in 30 V.S.A. § 8002(5).
 - (Q) "Regional market" means the wholesale electric power markets overseen and operated by the ISO-NE.
 - (R) "Renewable energy" is as defined in 30 V.S.A. § 8002(2).
 - (S) "Section 248" means 30 V.S.A. § 248.
 - (T) "SPEED" means "Sustainably Priced Energy Enterprise Development."
 - (U) "SPEED program" means the Sustainably Priced Energy Enterprise Development program established under 30 V.S.A. § 8005.
 - (V) "SPEED project" means an in-state generation project which meets the requirements of section 4.304 of this rule.
 - (W) "SPEED resource" means a contract with a SPEED project for electricity products, including, but not limited to, energy or capacity products.
 - (X) "Sponsoring utility" means a Vermont utility which has executed a contract or letter of intent with a SPEED project.

4.304 SPEED Projects

- (A) SPEED projects shall be located within Vermont and shall include new generation facilities, or modifications or expansions of existing generation facilities, which:
 - (1) Come into service after December 31, 2004; and
 - (2) Produce renewable energy, or are fossil-fueled CHP that meet efficiency requirements stated in 30 V.S.A. § 8002(6).
- (B) A generation facility that does not use fossil fuel, except for incidental use, shall be deemed under this rule to produce renewable energy if:
 - (1) it is a hydroelectric facility of 200 MW or less or uses one or more of the following fuel sources: biodiesel, biomass, farm methane, geothermal, landfill methane, solar energy, or wind;

- (2) it is a CHP that relies on a fuel source listed in subsection (B)(1), immediately above, or
- (3) it uses fuel cells that rely on a fuel source listed in subsection (B)(1), immediately above.
- (C) In addition to the fuels listed in Subsection (B), immediately above, a generation facility that does not use fossil fuel, except for incidental use, may be a SPEED project if it uses a fuel source determined to be renewable energy under the certification process established in Section 4.305, below.
- (D) A generation facility located in Vermont that, after December 31, 2004, is brought back into service after a prolonged outage of five years or more, shall be deemed for purposes of this rule to have come into service after December 31, 2004.
- (E) Where a project involves the modification or expansion of an existing generation facility, the following shall be considered a SPEED project within the meaning of this rule: (1) the incremental increase in the electricity product(s) of the facility enabled by the modification or expansion, to the extent that the increase is produced using renewable fuels, and (2) the entire output resulting from replacement of a fossil-fuel fired generation source by a renewable source.

4.305 Certification

- (A) A sponsoring utility or a developer of an in-state generation facility may request, at any time, including after construction of the facility, that the Commission provide a certification as to whether the generation facility constitutes a SPEED project. In the case of a blend of fossil and renewable fuels, such certification shall include establishment of a procedure for determining what portion of the facility's production is new renewable energy. Any such request and all supporting materials shall be copied to the Department, the SPEED Facilitator, the Vermont Agency of Natural Resources and the interconnecting utility.
- (B) If the type of fuel source for the generation project changes after issuance of a decision on a certification request under subsection 4.305.A, above, the sponsoring utility or developer of an in-state generation facility shall apply to the Commission for a revised certification.

4.306 Establishment of SPEED Facilitator

- (A) After a public process for solicitation of competitive bids, the Commission shall appoint one or more facilitators for the SPEED program for up to four years and on such other terms as the Commission may deem appropriate. Following the initial appointment of a SPEED Facilitator, the Commission may renew the appointment for an additional four years or conduct a competitive solicitation for a Facilitator. In any appointment of a SPEED Facilitator, the Commission shall consider at least the following factors: ownership, management, financial stability

and expertise of the candidate; capability of the candidate to carry out the duties assigned by this rule; issuance of indebtedness by, and protection of the assets of, the candidate; changes in management or control of the candidate; the quality and value of the services provided by the candidate; the continuance or the abandonment of provision of service by the candidate; the manner of operating and conducting business by the candidate; the proposed prices, terms, or rates charged by the candidate; and the general good of the State.

- (B) A SPEED Facilitator shall provide information in its possession on SPEED resources and projects upon request of the Commission or the Department.
- (C) A SPEED Facilitator shall be authorized to perform those functions and activities that are assigned to it under this rule and such other functions and activities related to the SPEED Program as the Commission may assign the facilitator.
- (D) The facilitator may engage in activities unrelated to the SPEED Program, and may serve as a facilitator or agent for one or more Vermont utilities or the Department in any competitive solicitation of resources, provided that such activities do not conflict with its responsibilities and activities under this rule.
- (E) Obligations of a SPEED Facilitator shall not be obligations of the State of Vermont.

4.307 Compensation of SPEED Facilitator

- (A) Immediately following appointment, and two months prior to the completion of each two-year period thereafter, a SPEED Facilitator shall submit to the Commission, the Department, and Vermont utilities a proposed budget for costs in the upcoming two-year period that are not expected to be recovered under other provisions of this rule. The SPEED Facilitator also shall propose how these costs and the costs of performing the clearinghouse function under Section 4.308(B) of this rule will be shared between Vermont utilities and SPEED projects. To the extent possible, considering the number and size of the SPEED projects, the SPEED Facilitator shall attempt to allocate these costs equally between Vermont utilities and the owners of SPEED projects.
- (B) After reviewing the proposed budget and assignment of costs submitted under subsection 4.307(A), and considering any comments, the Commission shall establish the compensation for a SPEED Facilitator's costs identified in the budget. These costs shall be recovered from the Vermont utilities and from SPEED projects according to a formula approved by the Commission.
- (C) On its own initiative or upon request, the Commission may at any time determine to review and adjust the budget of a SPEED Facilitator approved under these rules. Prior to making such an adjustment, the Commission will provide notice and opportunity for comment to the SPEED Facilitator, the Department, affected utilities, and owners of SPEED projects.

4.308 SPEED Facilitator Role in Promoting SPEED Resources; Contract Types

- (A) The primary purpose of a SPEED Facilitator is to promote the development of SPEED resources by bringing together SPEED projects and Vermont utilities seeking to purchase power. In addition, after making all reasonable attempts to find one or more Vermont utilities to purchase such product(s) through bilateral or multilateral contract, the SPEED Facilitator shall promote the development of SPEED projects by selling electricity products from such projects into the regional market, to an out-of-state utility, or to Vermont utilities on a pro-rata basis as provided in Section 4.308 (E) of this rule.
- (B) A SPEED Facilitator shall serve as a clearinghouse for information related to purchase and sale of SPEED resources, information provided by Vermont utilities to the SPEED Facilitator concerning their supply and reliability needs, and the availability of SPEED projects. A SPEED Facilitator shall submit an annual budget for such service to the Commission for its review and approval. The cost of such service shall be allocated to the Vermont utilities and SPEED projects according to the formula approved by the Commission under subsection 4.307(B) of this rule.
- (C) A SPEED Facilitator may be employed to administer a contract between one or more Vermont utilities and the owner(s) of one or more SPEED projects and shall charge a fee for such administration as agreed to by the contracting parties. The fee shall include all of the SPEED Facilitator's costs associated with performing the contract administration. Such employment may include the aggregation and proration of power in cases where there are more than one sponsoring utility, more than one SPEED project, or both. Such employment may also include the administration and scheduling of needed wheeling service for the transmission of power to a sponsoring utility or the regional market.
- (D) Voluntary Contracts by Vermont Utilities. A SPEED Facilitator shall encourage the formation of contracts between Vermont utilities and the owners of SPEED projects.
- (1) Any such contract may be one of the following types:
- (a) A voluntary contract between the owner(s) of one or more SPEED projects and one or more Vermont utilities, with the Vermont utility or utilities purchasing the entirety of an electricity product (e.g., all energy) from the SPEED project(s). In such case, the SPEED facilitator shall recover its reasonable costs related to formation of the contract through a charge allocated equally to the signatory SPEED project owner(s) and the Vermont utility or utilities.
- (b) A voluntary contract between the owner(s) of one or more SPEED projects and one or more Vermont utilities, with the Vermont utility or utilities taking less than the entirety of an electricity product (e.g., less than all energy) from the SPEED project(s), and

the balance of that product being sold into the regional market or by contract to one or more out-of-state purchasers. In such case:

- (i) The SPEED Facilitator shall recover its reasonable costs related to the formation of the contract through a charge allocated equally between the signatory SPEED project owner(s) and the Vermont utility or utilities. The charge to the owner(s) of the SPEED projects shall include any costs of the SPEED facilitator related to obtaining the participation of the out-of-state purchaser(s) in the contract.
 - (ii) The SPEED facilitator shall recover its ongoing costs under the contract related to the sale of power to an out-of-state purchaser from that purchaser or the owner of the SPEED project.
 - (iii) The SPEED Facilitator shall recover its ongoing costs under the contract related to the sale of power into the regional market from the owner of the SPEED project, through a mechanism agreed upon by the owner of the SPEED project and the SPEED Facilitator.
 - (iv) Such other type of contract as the Commission may authorize by rule, order, or through the contract.
- (E) SPEED Facilitator Contracts Allocated to Vermont Utilities. The SPEED Facilitator may purchase electricity products associated with one or more SPEED projects and allocate the products to Vermont utilities.
- (1) Prior to initiating the first such arrangement, the SPEED Facilitator shall obtain authorization from the Commission and must demonstrate that the purchase and allocation of electricity products will promote the general good of the state. Upon receipt of the request from the SPEED Facilitator, the Commission will provide the Department and Vermont utilities an opportunity to submit written comments. If the Commission authorizes the SPEED Facilitator to purchase and allocate electricity products under this section, the Commission may assign to a SPEED Facilitator, as it deems appropriate, functions and responsibilities related to the administration of the authorization and the requirements imposed therein.
 - (2) At the time the SPEED Facilitator seeks to enter into a specific purchase and allocation of electricity products, it shall provide notice to the Vermont utilities of the proposal, including the proposed amount of electricity products to be allocated to each utility. Unless the Commission determines that good cause exists for a different allocation, energy products shall be allocated on the basis of each utilities' proportionate annual energy usage and capacity products shall be allocated based upon each utility's proportionate contribution to the State's annual coincident peak. Each utility may, within 30 days of such a notification, request an exemption from the proposed allocation pursuant to section 4.310 of these

rules. However, this subsection shall not create a requirement for a utility to petition for an exemption if it has received an exemption under Section 4.310(A)(2) of these rules and that exemption remains in effect. Instead, any such utility shall, within 30 days of a notification by the SPEED Facilitator under this subsection, provide the Commission, the Facilitator, and the Department with a sworn statement as to whether the utility continues to retain each SPEED resource relied upon in the grant of the exemption.

- (3) If the proposed project is approved, the SPEED Facilitator shall assign the costs associated with purchase and allocations under this subsection to the proposed project.
- (4) The price for the electricity products under this subsection shall be less than the anticipated market price for those products over the term of the proposed purchase.
 - (a) In establishing the price, the SPEED Facilitator (and upon review, the Commission) shall take into consideration anticipated market prices, the then-current market price for forward power contracts for the longest term available in the market, and any adjustment appropriate to reflect material differences between the contract for SPEED project output and forward power contracts (such as firmness of the output).
 - (b) If there are costs to the purchasing utilities in connection with the transaction, such as transmission charges, that are in addition to the electricity products being purchased, the price shall include a discount at least equal to those additional costs.
 - (c) As long as the contract price is below the anticipated market price for power over the term of the proposed purchase by at least the discount set out in subsection (E)(4)(b), the SPEED Facilitator may adopt such pricing structures as it (and the Commission, upon review) finds reasonable, including price floors, price caps or pricing collars.
 - (d) The SPEED Facilitator may instead purchase the electricity products at a price that is a specified margin below the hourly spot market price at the node where the generator is interconnected, by an amount that at least equals the discount set out in subsection (E)(4)(b) of this section.
- (5) The Commission will determine the formula for allocation and purchase under this subsection in conjunction with its review of the proposed generation facility under Section 248. The Commission will also determine the reasonableness of the prices and other terms and conditions of any contract entered into under this subsection and subsection 4.308(F) in conjunction with its review of the proposed generation facility under Section 248. If, at the time of the contract, the SPEED project already has

approval under Section 248, the SPEED Facilitator shall separately request approval from the Commission of the formula for allocation and purchase of the contract.

- (F) SPEED Facilitator Contract for Sale into Regional Market. A SPEED Facilitator may offer a contract to SPEED projects under which the SPEED Facilitator purchases the power and resells it into the regional market. Such contract may be executed by a SPEED project only after the SPEED Facilitator has made all reasonable efforts to obtain the purchase by Vermont utilities of the electricity product(s) offered by the SPEED Project and has considered the merits of allocating the power to Vermont utilities pursuant to subparagraph (E) of this section.
- (1) Length. The contract offered to SPEED projects for sale into the regional market shall be of ten years' duration, unless the Commission authorizes a different term. Notwithstanding the foregoing requirement and subject to Commission approval, the SPEED Facilitator from time to time shall determine the appropriate length of such standard contract, taking into account the need to enable project development, current and forecasted market conditions, and current industry practice regarding contract length.
 - (2) Price. The energy price of the regional sales contract offered to SPEED projects shall be a discount off the applicable hourly Real-time LMP, as calculated by the ISO-NE under its rules, as those rules may be amended. The price in such contract offered to SPEED projects for capacity and ancillary products and services shall be a discount off the applicable prices for the product or service in the regional market. The SPEED Facilitator shall propose the amount of the discount for energy, capacity, and ancillary services, subject to Commission approval. The amount of the discount shall be, at a minimum, the sum of expected administrative costs of the SPEED Facilitator and reasonable compensation for the use of facilities or services of the interconnecting utility and any other utility over whose system the energy must be transmitted. However, the transmission component of the discount may be adjusted to conform to applicable requirements of a Commission order issued under Section 4.318, below.
 - (3) Commission Review of Contract. The SPEED Facilitator shall request approval from the Commission for the proposed contract either in conjunction with review of the SPEED project under Section 248 of Title 30 or in a separate proceeding. The Commission will assess the reasonableness of the contract terms and conditions, including the discount, in this proceeding
 - (4) Sale. The SPEED Facilitator shall sell SPEED resources acquired through the contract offer authorized under this section through the regional market. In doing so, the SPEED Facilitator may aggregate such resources.
 - (5) Profit or Loss. To the extent that a SPEED Facilitator's recovery of costs associated with the contracts authorized by this subsection, after

accounting for any transmission charges and compensation due to the relevant SPEED project owners, exceeds or is less than the actual amount of the Facilitator's administrative costs, the SPEED Facilitator shall allocate the difference equally to the Vermont utilities and the owners of SPEED projects to which regional sales contracts apply. The SPEED Facilitator shall allocate the utility portion of the costs according to a formula approved by the Commission.

- (G) The offer of a contract by a SPEED Facilitator under subsection (F) of this section shall not preclude the SPEED Facilitator's acquisition with prior Commission approval of SPEED resources on different terms for resale into the regional market.
- (H) To effect its duties under this rule, a SPEED Facilitator may:
 - (1) Sell electricity products acquired through the contract described in subsections (F), (G), or (J) to the regional market through an existing participant in that market, rather than incurring costs to become such a participant. The SPEED Facilitator shall ensure that the market participant is compensated for reasonable costs associated with such sales and these added costs shall be incorporated into the discount off the market price; and
 - (2) Conduct auctions or solicit competitive bids with respect to the acquisition of SPEED resources, when employed to do so by the owner of a SPEED project or a Vermont utility. The costs associated with such auction or solicitation shall be recovered solely from the SPEED project(s) and/or Vermont utility(ies) that employ the SPEED Facilitator
- (I) The owner of a SPEED project or a Vermont utility which is a party to a contract under subsections (C) through (G) or (J), and which disputes the costs assigned to it by the SPEED Facilitator, may petition the Commission for review and determination of the appropriate charge.
- (J) After providing notice and opportunity to comment to the SPEED Facilitator, the Department, affected utilities, and SPEED project owners, the Commission may authorize the SPEED Facilitator to participate in a contract type not otherwise described in this rule.

4.309 Required Purchases: SPEED Projects of 250 kW or Less

- (A) A Vermont utility which is the interconnecting utility to a SPEED project with an installed capacity of two hundred fifty kilowatts or less shall purchase electricity products offered by the SPEED project, unless (1) the capacity of the project would constitute more than 10% of the peak load of the interconnecting utility or (2) the owner of the SPEED project elects to sell to a different purchaser or execute the standard contract offered by the SPEED Facilitator under section 4.308(F), above.
- (B) The rate to be paid for electricity products from a SPEED project under this

section shall be the rate available for the product in the regional market minus the Discount set out in subsection 4.308(E)(4)(b), above.

- (C) If the owner of a SPEED project eligible for treatment under this section agrees, a Vermont utility which would otherwise be obligated to purchase electricity offered by the SPEED project under this section may transmit the electricity to any other Vermont utility that agrees to purchase the power. Any Vermont utility to which such electricity is transmitted shall purchase such electricity as if it were the interconnecting utility.

4.310 Exemption from Cost Allocations and Power Purchase

- (A) A Vermont utility may petition the Commission for an exemption from a requirement to purchase power under subsection 4.308(E) or section 4.319. The Commission may grant such exemption upon a finding that:
- (1) The purchase would impair the provider's ability to meet the public's need for energy services after safety concerns are addressed at the lowest present value life cycle cost, including environmental and economic costs; or
 - (2) Equity requires the Vermont utility be relieved of such purchase requirement. A utility seeking such relief on grounds of equity shall demonstrate that the exemption will not be detrimental to the general good of the state and that the utility has acquired SPEED resources which equal or exceed the lesser of either 10% of the utility's total 2005 retail sales of energy or 100% of the utility's projected new retail load between January 1, 2005, and January 1, 2012.
- (B) A Vermont utility may petition the Commission for a determination that equity requires it to be relieved from bearing costs related to the clearinghouse function described in section 4.307(B), above, and losses related to the standard contract described in section 4.308(F), above.
- (1) A utility seeking relief on grounds of equity shall demonstrate that the exemption will not be detrimental to the general good of the state and that the utility has acquired SPEED resources which equal or exceed the lesser of either 10% of the utility's total 2005 retail sales of energy or 100% of the utility's projected new retail load between January 1, 2005, and January 1, 2012.
 - (2) In determining whether to grant relief from allocation of losses related to the standard contract described in section 4.308(F), above, the Commission shall consider the extent to which the utility has received profits from the standard contract.
- (C) In approving any petition for exemption under this rule, the Commission shall:
- (1) State the length of the exemption granted.
 - (2) Require the petitioning utility periodically to file a sworn statement as to whether the facts underlying the grant of the exemption remain true.

- (D) With respect to any petition for exemption under this rule, the Commission shall provide notice, with opportunity for hearing, to the petitioning utility, the Department, the SPEED Facilitator, and any other person or entity the Commission deems appropriate.
- (E) If the Commission grants an exemption under subsection (A) to one or more utilities, the SPEED Facilitator shall either (1) sell the power that was proposed to be allocated to an exempted utility into the regional market, (2) enter into a contractual arrangement with one or more utilities to purchase the power (consistent with the provisions of section 4.308, or (3) propose to reallocate the power to the non-exempt Vermont utilities.

4.311 Utility Ratemaking

A Vermont utility's revenue requirement for ratemaking purposes shall include all reasonable costs incurred by a utility related to cost allocations and purchases under sections 4.307, 4.308, 4.309, and 4.319.

4.312 Certificates of Public Good for SPEED Projects under 30 V.S.A. § 248

- (A) A facility that had been certified as a SPEED project, and that is not financed directly or indirectly through investments backed by ratepayers of a Vermont utility other than power contracts, need not demonstrate compliance with 30 V.S.A. § 248(b)(2).
- (B) At the time that the developer of a generation facility seeking to participate in the SPEED program applies for a certificate of public good under 30 V.S.A. § 248, the applicant shall also request a certification from the Commission that the facility constitutes a SPEED project. However, the applicant need not make such a request if:
 - (1) the Commission has previously issued a certification under subsection 4.305(A), above;
 - (2) the project has not materially changed, with respect to the requirements of section 4.304 of this rule, since the Commission issued the certification; and
 - (3) the applicant submits, with its application under 30 V.S.A. § 248, the Commission's certification and a sworn statement that the fuel type on which the certification was based has not changed in any material respect.

4.313 Interconnection

The provisions of Rule 5.500 apply to interconnection of SPEED projects.

4.314 Reporting

- (A) A SPEED Facilitator shall:

- (1) Report annually to the Commission by March 1 on the SPEED resources that have come into service during the year ending the preceding December 31. Such report shall include at least the following:
 - (a) the identity, owner, location, capacity and energy production of the relevant SPEED projects;
 - (b) the identity of the sponsoring utilities;
 - (c) whether the SPEED resources constitute qualifying or nonqualifying SPEED resources;
 - (d) the identity, owner, location, capacity, and energy production of any project that is not a SPEED resource but is a facility owned by or under long-term contract to a Vermont utility and which constitutes a new renewable energy resource;
 - (e) advice as to where SPEED generation projects would provide benefit to the electric system; and
 - (f) such other information as the Commission may deem appropriate.
 - (2) Provide an annual financial accounting to the Commission in such form and by such date as the Commission requires. This accounting shall be publically available.
- (B) At the same time that they file quarterly and annual resource reports under Commission Rule 5.206, each Vermont utility shall provide the SPEED Facilitator with sufficient information concerning the utility's supply portfolio to enable the Facilitator to complete its report under subsection (A)(1) of this section. Such information shall include the amount of capacity and energy associated with the utility's SPEED resources and such other information as the SPEED Facilitator reasonably may require.

4.315 Disclosure; Call Option

- (A) Separation of Attributes from Electricity Products. The Commission may authorize the SPEED Facilitator to purchase and resell attributes from SPEED projects from time to time subject to such terms and conditions as the Commission may establish. In the absence of any such authorization, SPEED resources shall be presumed to represent only contracts acquired in accordance with this rule for energy, capacity, and ancillary products or services associated with projects that produce renewable energy or are CHP that meet the requirements of section 4.304 of this regulation. The attributes of SPEED projects that produce renewable energy may be sold and accounted for in other markets including, but not limited to, the retirement of renewable energy credits in Vermont for products and services that require renewable resource attributes.
- (B) Disclosure Requirements. The following shall apply:
 - (1) An owner of a SPEED resource shall comply with any rules and standards for disclosure established by the Commission regarding the representation of the owner's generation resource mix.
 - (2) Without owning the attributes associated with the SPEED resource, an

owner of a SPEED resource or a utility that purchases power from a SPEED resource shall not make any claims or representations in public or in a regulatory filing that underlying renewable resources are a part of its mix of generation resources. However, this provision shall not prohibit the owner of a SPEED resource from discussing the fuel type associated with an underlying SPEED project in a filing under 30 V.S.A. § 8005 or this Rule 4.300.

- (3) All claims concerning the amount of SPEED resources owned shall clearly distinguish the ownership claim for SPEED resources from any claim as to the ownership or retirement of the renewable attributes derived from the development of SPEED resources.
- (C) Call Option. Each SPEED resource may include a call option, right of first refusal, or other term for the purchase of renewable attributes associated with that resource, in order to enable such a purchase by the SPEED Facilitator or purchasing utility should a renewable portfolio standard in Vermont come into effect.

4.316 Sale of Electricity by a Vermont Utility to a SPEED Project

- (A) Unless otherwise provided for in the interconnecting utility's electric service tariff, upon request of the owner of a SPEED project, the interconnecting utility shall, by tariff or special contract, provide the following: supplementary power, backup power, maintenance power, and interruptible power.
- (B) Rates for sales of electricity by a Vermont utility to a SPEED project shall not discriminate against SPEED projects in comparison to rates for sales to other customers by the Vermont utility or in the allocation of costs to similarly situated utility-owned projects. Rates for sales which are based on accurate data and consistent system-wide costing principles shall not be considered to discriminate against a SPEED project to the extent such rates apply to the utility's other customers with similar load or other cost-related characteristics and the utility uses the same methodologies for projects that it owns.

4.317 Metering

After consultation with the sponsoring utility, the interconnecting utility and the owner of the relevant SPEED project, the SPEED Facilitator shall determine the metering requirements applicable to the output of each project that is the subject of a SPEED resource, provided that in a given instance the sponsoring utility, interconnecting utility, or owner of a SPEED project may appeal that determination to the Commission. To the extent practicable, such metering requirements shall be designed to ensure that the SPEED project is recognized by ISO-NE and satisfies all of ISO-NE's requirements so that the project is recognized for participation in

applicable regional markets including the regional Generation Information System.

4.318 Mechanism to Allocate Transmission Charges

After notice and opportunity for hearing, the Commission may establish one or more mechanisms to minimize and allocate transmission charges applicable to SPEED resources to the extent permitted by law.

4.319 Department of Public Service Contracts

The Department or any interested person may request that the Commission approve a form of contract or contract type for use with SPEED projects. The Department also may request that the Commission approve a contract with a SPEED project regardless of whether the SPEED Facilitator is a signatory to that contract. A request by the Department under this section may include a request to allocate associate electricity products or costs to Vermont utilities. The price for any such products shall be below the anticipated market price for those products over the term of the proposed purchase. Prior to approval of a contract or contract type under this section, the Commission shall provide a notice and an opportunity for comment to Vermont utilities, the SPEED Facilitator, and any other affected parties.