H.437

Introduced by Representative Cheney of Norwich

Referred to Committee on

Date:

Subject: Energy; public service; study; renewable technologies for heating and cooling; cost-effectiveness screening tool; voluntary biomass pellet standards and labeling; emissions

Statement of purpose of bill as introduced: This bill proposes to require the Department of Public Service to study the potential for renewable heating and cooling technologies, including biomass and heat pump technologies. The bill proposes to require the Public Service Board to review the costs and benefits of integrating the analysis of such technologies into the cost-effectiveness screening tool used by Vermont’s energy efficiency utilities to compare the costs and benefits of specific energy efficiency investments. The bill proposes to create a voluntary biomass pellet standard and labeling program and to require the Agency of Natural Resources to review the emissions standards for biomass systems eligible for state rebates. The bill also proposes to appropriate five million dollars to the Clean Energy Development Fund for FY 2014.

An act relating to renewable technologies for heating and cooling
It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. STUDY; RENEWABLES; HEATING AND COOLING

(a) The Department of Public Service in collaboration with the Agency of Natural Resources, the Department of Economic, Housing and Community Development, and the Agency of Agriculture, Food and Markets shall conduct and complete a study of the following:

(1) the opportunities for Vermonters to switch to technologies using renewable energy as defined by 30 V.S.A. § 8002 for heating and cooling, including biomass, switchgrass pellet, and heat pump technologies, and the costs and benefits of switching to such technologies, including greenhouse gas reductions and job creation benefits;

(2) the factors that may inhibit development of renewable heating and cooling technologies, including upfront capital costs, public knowledge about such technologies, public policies, regulatory standards, and the potential need for coordination among industries;

(3) ways to deal with these factors, including implementing policies that have been successful nationally and internationally;

(4) the strengths and weaknesses of the Vermont market for businesses that manufacture, sell, install, and service such renewable heating and cooling technologies;
(5) the potential for a rebate program to encourage residential bulk-delivery of biomass pellets;

(6) on-bill tariffed financing for renewable heating and cooling technologies; and

(7) how renewable heating and cooling technologies might be integrated into other statewide energy and efficiency programs.

(b) On or before December 15, 2013, the Department of Public Service shall submit its findings and recommendations, including its recommendations for legislative action, in a written report to the House and Senate Committees on Natural Resources and Energy.

Sec. 2. PUBLIC SERVICE BOARD; REVIEW OF COST-EFFECTIVENESS SCREENING TOOL

The Public Service Board shall conduct a review of the costs and benefits of integrating the analysis of renewable energy technologies for heating and cooling into the cost-effectiveness screening tool used by Vermont’s energy efficiency utilities to compare the costs and benefits of specific energy efficiency investments pursuant to 30 V.S.A. § 209(d). The Board shall not conduct this review as a contested case under 3 V.S.A. chapter 25 but shall provide notice and an opportunity for written and oral comments to the public and affected parties and state agencies.
Sec. 3. 10 V.S.A. § 586 is added to read:

§ 586. BIOMASS PELLET STANDARDS AND LABELING

(a) Biomass pellet standards. On or before July 1, 2014, the Agency of Natural Resources in collaboration with the Agency of Agriculture, Food and Markets and biomass pellet manufacturers shall adopt voluntary biomass pellet standards by rule. The standards shall require that participating manufacturers fully disclose the content of pellets, including how the content was sourced, and that pellets meet ash content, BTU per pound, bulk density, and durability criteria established by the Agency to ensure that pellets are of a high quality that burns efficiently and results in low emissions.

(b) Voluntary labeling program. On or before July 1, 2014, the Agency of Natural Resources shall:

(1) develop a label indicating compliance with the standards that pellet manufacturers voluntarily may affix to containers holding their pellets if they meet the biomass pellet standards; and

(2) adopt rules governing participation in the voluntary labeling program, including certification requirements.

(c) Certification. Pellet manufacturers using the label shall certify that pellets bearing the label meet the biomass pellet standards. Such certification shall be written and shall comply with the rules adopted pursuant to this section.
(d) Verification. The Secretary of Natural Resources is authorized to randomly test pellets bearing the label to verify whether such pellets meet the biomass pellet standards. If testing reveals evidence contradicting the claim of a manufacturer made under subsection (c) of this section, the Secretary shall immediately notify the Attorney General and the manufacturer concerned.

(e) Enforcement. A violation of subsection (c) of this section may give rise to a civil enforcement action under 9 V.S.A. chapter 63.

Sec. 4. 10 V.S.A. § 587 is added to read:

§ 587. PELLET STOVE EMISSIONS STANDARDS; REBATES

With respect to pellet stoves eligible for rebates and incentives funded by the State, the Agency of Natural Resources shall determine, in consultation with pellet stove manufacturers, whether the standards under the Clean Air Act, 42 U.S.C. § 7401 et seq., are sufficient or whether the State should adopt more stringent standards for those pellet stoves. If the Agency determines that more stringent standards are appropriate, then by rule it shall adopt such standards on or before July 1, 2014.

Sec. 5. Appropriation

For fiscal year 2014, the sum of $5,000,000.00 is appropriated from the General Fund to the Department of Public Service to be deposited in the Clean Energy Development Fund under 30 V.S.A. § 8015 to be allocated and used in accordance with that section to fund “renewable energy” as defined by
30 V.S.A. § 8015(b), including to fund incentives for residential and commercial biomass heating systems.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2013.