

Renewable Energy Standard Reform Working Group, 12/12/2023

Dear Working Group,

My name is Isabella O'Connor, and I am one of your constituents in South Royalton.

I'm just writing to you today to express my concerns about Vermont's Renewable Energy Standard (RES). I understand that the RES is currently before a working group, and I wanted to share some important information with you should you come across the RES in committee.

One major issue with the RES is the way that it currently regulates Vermont's Renewable Energy Credit (REC) System. In short, RECs are certificates used to track renewable energy. Every megawatt-hour of renewable energy that enters our regional power grid is assigned 1 corresponding REC. These RECs can be sold together with their corresponding energy, or separately. Selling RECs separately (aka "unbundled") is very harmful. Here's why:

When a utility buys *only* a REC, they can use it to meet their renewable-energy obligations even if the actual power they buy comes from fossil fuels. **For example, if you buy 100 megawatt-hours of power from a coal plant, you can claim to be using renewable power as long as you also buy 100 RECs from a solar farm. Moreover, since the 100 RECs have been unbundled from the solar farm energy, the purchasers of the solar energy itself may *not* claim to be using renewable energy: the credit for the renewables has already been taken.** This is problematic because it gives utilities the appearance of operating with renewable energy, when in reality, no new renewable energy is actually being added to the grid. In summary, although it may look like buying RECs from pre-existing renewable sources helps us achieve our emissions goals, we are not **actually reducing the total amount of fossil fuel burned** to supply our region's power.

In order to solve this problem, we must end the practice of selling "unbundled" RECs. All RECs must be purchased with their corresponding energy so that way we know that each REC represents real renewable energy being added to the grid— and not functioning as a mere offset. Furthermore, we should be meeting our goals by adding **new** renewables— not just getting credit for existing ones.

Lastly, did you know that less than 10% of RECs from energy produced in Vermont are currently counted toward our own goals; the rest are **sold at a profit to other states**, who can then claim to be renewable while burning fossil fuels? In order to address this issue we must also enact climate legislation that **prioritizes and incentivizes development of local solar, wind, and networked thermal** projects that benefit our communities— not to operate as a "free pass" for regional polluters.

I really appreciate you taking the time to read through this letter, and I hope that if you have any questions or concerns that you can reach out to me! I am happy to discuss the Renewable Energy Standard anytime, and I look forward to a productive legislative session that will address many of these issues.

Thank you for working to make Vermont a better place.

All the best,

Bella O'Connor