

Renewable Energy Marketing Association

December 14, 2007

Vermont Public Service Board
112 State Street
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Montpelier, VT 05620-2701

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Thank you for the opportunity to present these comments on the Vermont Carbon Dioxide Budget Trading Program Regulations (“Regulations”) established as a component of the Regional Greenhouse Gas Initiative. We commend Vermont for its leadership in addressing global climate change, and in particular for being the first RGGI state to issue legislation, in 2005.

Our comments focus on provisions which Vermont can and should add to the Regulations to encourage individuals and businesses to do their part to reduce greenhouse gas emissions. They reflect the views of the Renewable Energy Marketers Association (REMA), views shared by many others -- policymakers, renewable energy developers, green power purchasers, environmental advocates and energy analysts -- concerned about maximizing the positive impacts of Vermont’s participation in RGGI.

REMA represents the collective interests of for-profit and nonprofit organizations that sell or promote renewable energy products through voluntary markets. These products include renewable electricity and renewable energy certificates (RECs), which are offered to individuals, companies and institutions throughout North America.

Voluntary markets offer citizens the power of choice -- a fundamental value in our society. We believe it is essential to leave open the opportunity for individuals and organizations to make meaningful choices about their electricity supply, and in so doing, help address climate change, reduce air pollution, and support the transition to a cleaner energy future.

An essential principle of the voluntary market for renewable energy is that consumers can make a difference with their purchase -- that more renewable energy is produced the more GHGs are reduced as a result of these voluntary purchases.

As providers of voluntary RECs, REMA strongly encourages Vermont to adopt provisions to the Regulations that will retire allowances commensurate with the voluntary purchase of RECs. Customers voluntarily purchasing RECs do so in large part to offset their contributions to climate change. Retiring allowances ensures that these customers receive the value for which they are paying and helps states like

Vermont go beyond their RGGI goals, further reducing regional contributions to Climate Change.

A sample provision for retiring RGGI allowances to acknowledge the voluntary renewable energy market was included in the RGGI model rule. The majority of RGGI states -- Connecticut, Massachusetts, Rhode Island, New York, New Hampshire, and Maryland -- have included it or similar provisions in their RGGI legislation or draft or final rules.¹ By including an appropriate provision in its Regulations, Vermont, like its neighbors, will promote greater participation from renewable energy marketers and the commensurate economic and environmental benefits that come from REC sales and the development of new renewable energy projects to support those sales.

As states with voluntary renewable energy provisions have taken different approaches, we recommend for Vermont the approach taken by Connecticut. Connecticut's rule retires allowances equivalent to the documented renewable energy purchases by customers. This approach ensures that the voluntary market is not artificially capped, thereby inadvertently stifling the voluntary market.

REMA thanks Vermont for the opportunity to offer these comments and would be pleased to assist in the design of the most effective voluntary renewable allowance retirement program. We have attached a fact sheet from the Union of Concerned Scientists which highlights the benefits of retiring allowances resulting from voluntary REC purchases. If you have any questions you may contact Eric Thumma at 484-654-1887 or via e-mail at ethumma@iberdrolausa.com.

Sincerely,

The following members of the Renewable Energy Marketers Association

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¹ Besides Vermont, only Maine has not yet included the necessary provisions; New Jersey and Delaware have not yet issued draft rules.

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Attachment