

1 H.637

2 Introduced by Representative Fisher of Lincoln

3 Referred to Committee on

4 Date:

5 Subject: Energy; public service; net metering; solar; payment for power  
6 generated

7 Statement of purpose: This bill proposes to require the connecting electric  
8 company to pay an additional amount per kilowatt-hour to solar generators that  
9 are net metered; to require that the public service board determine this amount  
10 in light of the value of solar power during times of peak demand; and to  
11 require that the board periodically reexamine the amount and, if appropriate,  
12 adjust it.

13 An act relating to additional payment for solar power that is net metered

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. FINDINGS

16 The general assembly finds that:

17 (1) Vermont's electric transmission and distribution system is part of the  
18 New England grid overseen by the Independent System Operator of New  
19 England, Inc. (ISO-NE).



1           (2) If the electricity supplied by the electric company exceeds the  
2 electricity generated by the customer and fed back to the electric distribution  
3 system during the billing period, the customer shall be billed for the net  
4 electricity supplied by the electric company, in accordance with normal  
5 metering practices.

6           (3) If electricity generated by the customer exceeds the electricity  
7 supplied by the electric company:

8           (A) The customer shall be billed for the appropriate charges for that  
9 month, in accordance with subsection (b) of this section;

10           (B) The customer shall be credited for the excess kilowatt-hours  
11 generated during the billing period, with this kilowatt-hour credit appearing on  
12 the bill for the following billing period; and

13           (C) Any accumulated kilowatt-hour credits shall be used within  
14 12 months, or shall revert to the electric company, without any compensation  
15 to the customer. Power reverting to the electric company under this  
16 subdivision (3) shall be considered SPEED resources under section 8005 of  
17 this title.

18           (4) For net metering systems using time of day, demand or other types  
19 of metering, the board shall specify the manner of measurement and the  
20 application of bill credits for the electric energy produced or consumed in a

1 manner substantially similar to that specified in this subsection for use with a  
2 single nondemand meter.

3 (f) Consistent with the other provisions of this title, electric energy  
4 measurement for net metering farm or group net metering systems shall be  
5 calculated in the following manner:

6 (1) Net metering customers that are farm or group net metering systems  
7 may credit on-site generation against all meters designated to the farm system  
8 or group net metering system under subdivision (g)(1)(A) of this section.

9 (2) Electric energy measurement for farm or group net metering systems  
10 shall be calculated by subtracting total usage of all meters included in the farm  
11 or group net metering system from total generation by the farm or group net  
12 metering system. If the electricity generated by the farm or group net metering  
13 system is less than the total usage of all meters included in the farm or group  
14 net metering system during the billing period, the farm or group net metering  
15 system shall be credited for any accumulated kilowatt-hour credit and then  
16 billed for the net electricity supplied by the electric company, in accordance  
17 with the procedures in subsection (g) of this section.

18 (3) If electricity generated by the farm or group net metering system  
19 exceeds the electricity supplied by the electric company:



1 energy from the sun and shall specify the manner of measurement of the net  
2 metering system's production, the allocation of the costs of such measurement,  
3 and the manner and period of the payment by the connecting electric company.  
4 The board shall set such price in an amount that is sufficient to provide  
5 additional incentive for the installation of net metering systems that use solar  
6 power based on the value of such power during times of peak electric energy  
7 demand but is less expensive than the cost of electric energy in the regional  
8 market during such times. The period for payment by the connecting electric  
9 company shall be no less frequent than quarterly. Commencing September 1,  
10 2011, the board shall have authority by rule or order to adjust prospectively the  
11 amount of the payment it set under this subsection and periodically shall  
12 determine whether to adjust this amount in accordance with the same criteria  
13 specified in this subsection for setting the price to be paid to a customer. An  
14 electric company required to pay or a customer who is eligible for an incentive  
15 under this subsection may petition the board to exercise this adjustment  
16 authority. The connecting electric company shall own any tradeable renewable  
17 energy credits, as defined in subdivision 8002(8) of this title, associated with  
18 electric energy for which the company pays an incentive under this subsection.

19 Sec. 3. INITIAL BOARD ORDER

20 By August 31, 2010, the public service board shall issue an initial order  
21 under 30 V.S.A. § 219a(m) which sets the price per kilowatt-hour to be paid to

1 a customer who installs a net metering system that generates electricity through  
2 conversion of energy from the sun and which specifies the manner of  
3 measurement of the net metering system's production, the allocation of the  
4 costs of such measurement, and the manner and period of the payment by the  
5 connecting electric company. In the event that the board fails to issue an initial  
6 order by the date required in this section, on September 1, 2010, a price of  
7 \$0.06 per kilowatt-hour shall go into effect under 30 V.S.A. § 219a(m) to be  
8 paid to a customer described in that subsection.

9 Sec. 4. EFFECTIVE DATE

10 (a) Each of the following shall take effect on passage:

11 (1) Sec. 3 and this section.

12 (2) The board's authority under 30 V.S.A. § 219a(m) to set the price per  
13 kilowatt-hour to be paid to a customer described in that subsection and to  
14 specify the manner of measurement of the net metering system's production,  
15 the allocation of the costs of such measurement, and the manner and period of  
16 the payment by the connecting electric company.

17 (b) Those portions of this act not described in subsection (a) of this section  
18 shall take effect on September 1, 2010.