H.167

Introduced by Representative Fisher of Lincoln

Referred to Committee on

Date:

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

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

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

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

Sec. 1. FINDINGS

The general assembly finds:

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

(2) Peak electric energy demand on the ISO-NE grid and recently in Vermont typically occurs during the summer.

(3) At times of peak electric energy demand, the cost of electric energy on the New England regional market increases significantly.

(4) Paying net metering participants who use solar generation an additional amount of money per kilowatt-hour will, during times of peak energy demand, generally be less expensive than purchasing electric energy from the New England regional market.

(5) It is therefore in the public interest to provide an additional incentive to Vermont electric customers to participate in net metering through installing and using solar energy generation facilities.

Sec. 2. 30 V.S.A. § 219a is amended to read:

§ 219a. SELF-GENERATION AND NET METERING

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(e) Consistent with the other provisions of this title, electric energy measurement for net metering systems using a single nondemand meter that are not farm systems shall be calculated in the following manner:

(1) The electric company which serves the net metering customer shall measure the net electricity produced or consumed during the customer's billing period, in accordance with normal metering practices.

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

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

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

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

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

(4) For net metering systems using time of day, demand or other types of metering, the board shall specify the manner of measurement and the application of bill credits for the electric energy produced or consumed in a manner substantially similar to that specified in this subsection for use with a single nondemand meter.

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

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

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

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

(A) The farm or group net metering system shall be billed for the appropriate charges for each meter for that month, in accordance with subsection (b) of this section.

(B) Excess kilowatt-hours generated during the billing period shall be added to the accumulated balance with this kilowatt-hour credit appearing on the bill for the following billing period.

(C) Any accumulated kilowatt-hour credits shall be used within 12 months or shall revert to the electric company without any compensation to the farm or group net metering system. Power reverting to the electric company under this subdivision (3) shall be considered SPEED resources under section 8005 of this title.

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(n) In addition to the provisions of subsections (e) and (f) of this section, a net metering system that generates electricity through conversion of energy from the sun shall receive from the connecting electric company a periodic payment for each kilowatt-hour generated by the system. The phrases "without any compensation to the customer" and "without any compensation to the farm or group net metering system" as used in subsections (e) and (f) of this section shall not apply to this payment. The board by rule or order shall set the price per kilowatt-hour to be paid to a customer who installs or has installed a net metering system that generates electricity through conversion of energy from the sun and shall specify the manner of measurement of the net metering system's production, the allocation of the costs of such measurement, and the manner and period of the payment by the connecting electric company.

The board shall set such price in an amount that is sufficient to provide additional incentive for the installation of net metering systems that use solar power based on the value of such power during times of peak electric energy demand but is less expensive than the cost of electric energy in the regional market during such times. The period for payment by the connecting electric company shall be no less frequent than quarterly. Commencing September 1, 2012, the board shall have authority by rule or order to adjust prospectively the amount of the payment it set under this subsection and periodically shall determine whether to adjust this amount in accordance with the same criteria specified in this subsection for setting the price to be paid to a customer. An electric company required to pay or a customer who is eligible for an incentive under this subsection may petition the board to exercise this adjustment authority. The connecting electric company shall own any tradeable renewable energy credits, as defined in subdivision 8002(8) of this title, associated with electric energy for which the company pays an incentive under this subsection.

Sec. 3. INITIAL BOARD ORDER

By August 31, 2011, the public service board shall issue an initial order under 30 V.S.A. § 219a(n) which sets the price per kilowatt-hour to be paid to a customer who installs a net metering system that generates electricity through conversion of energy from the sun and which specifies the manner of measurement of the net metering system's production, the allocation of the

costs of such measurement, and the manner and period of the payment by the connecting electric company. In the event that the board fails to issue an initial order by the date required in this section, on September 1, 2011, a price of $0.06 per kilowatt-hour shall go into effect under 30 V.S.A. § 219a(n) to be paid to a customer described in that subsection.

Sec. 4. EFFECTIVE DATE

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

(1) Sec. 3 and this section.

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

(b) Those portions of this act not described in subsection (a) of this section shall take effect on September 1, 2011.