

1 Board rules. The Board would develop these rules through a process to occur
2 before 2017. This process would include a report by the Department of Public
3 Service to the Board followed by workshop and rulemaking proceedings on a
4 revised program and a report by the Board to the General Assembly in 2016.

5 An act relating to self-generation and net metering

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

7 * * * Net Metering Amendments for 2014 * * *

8 Sec. 1. 30 V.S.A. § 219a is amended to read:

9 § 219a. SELF-GENERATION AND NET METERING

10 (a) As used in this section:

11 (1) “Capacity” means the rated electrical nameplate for a net metering
12 system, except that for a solar net metering system, the term shall:

13 (A) mean the rated electrical nameplate multiplied by 0.95, if the
14 result of the multiplication is not more than 15 kW; and

15 (B) have the same meaning as set forth for a solar energy plant under
16 “plant capacity” in section 8002 of this title, for those solar net metering
17 systems not subject to subdivision (1)(A) of this subsection.

18 (2) “Customer” means a retail electric consumer who uses a net
19 metering system.

1 (3) “Environmental attributes” shall have the same meaning as under
2 section 8002 of this title.

3 (4) “Facility” means a structure or piece of equipment and associated
4 machinery and fixtures that generates electricity. A group of structures or
5 pieces of equipment shall be considered one facility if it uses the same fuel
6 source and infrastructure and is located in close proximity. Common
7 ownership shall be relevant but not sufficient to determine that such a group
8 constitutes a facility.

9 ~~(2)~~(5) “Net metering” means measuring the difference between the
10 electricity supplied to a customer and the electricity fed back by a net metering
11 system during the customer’s billing period:

12 (A) using a single, nondemand meter or such other meter that would
13 otherwise be applicable to the customer’s usage but for the use of net
14 metering; or

15 (B) on ~~farm or~~ group systems, using multiple meters as specified in
16 this chapter. The calculation will be made by converting all meters to a
17 nondemand, nontime-of-day meter, and equalizing them to the tariffed
18 kilowatt-hour rate.

19 ~~(3)~~(6) “Net metering system” means a facility for generation of
20 electricity that:

21 (A) is of no more than 500 kW capacity;

1 (B) operates in parallel with facilities of the electric
2 distribution system;

3 (C) is intended primarily to offset the customer’s own electricity
4 requirements;

5 (D) is located on the customer’s premises or, in the case of a group
6 net metering system, on the premises of a customer who is a member of the
7 group; and

8 (E)(i) employs a renewable energy source as defined in subdivision
9 8002(17) of this title; or

10 (ii) is a qualified micro-combined heat and power system of
11 20 kW or fewer that meets the definition of combined heat and power in
12 ~~10 V.S.A. § 6523(b)~~ subsection 8015(b) of this title and may use any fuel
13 source that meets air quality standards.

14 ~~(4) “Facility” means a structure or piece of equipment and associated
15 machinery and fixtures that generates electricity. A group of structures or
16 pieces of equipment shall be considered one facility if it uses the same fuel
17 source and infrastructure and is located in close proximity. Common
18 ownership shall be relevant but not sufficient to determine that such a group
19 constitutes a facility.~~

20 ~~(5)(7)~~ “kW” means kilowatt or kilowatts (AC).

21 ~~(6)(8)~~ “kWh” means kW hour or hours.

Comment [ADA3]: Suncommon and REV
request amendment or removal of the on-premises
requirement.

1 ~~(7)~~(9) “MW” means megawatt or megawatts (AC).

2 (10) “Tradeable renewable energy credits” shall have the same meaning
3 as under section 8002 of this title.

4 (b) A customer shall pay the same rates, fees, or other payments and be
5 subject to the same conditions and requirements as all other purchasers from
6 the electric company in the same rate-class, except as provided for in this
7 section, and except for appropriate and necessary conditions approved by the
8 Board for the safety and reliability of the electric distribution system.

9 (c) The Board shall establish by rule ~~or order~~ standards and procedures
10 governing application for, and issuance or revocation of a certificate of public
11 good for net metering systems under the provisions of section 248 of this title.
12 A net metering system shall be deemed to promote the public good of the State
13 if it is in compliance with the criteria of this section, and board rules ~~or orders~~.
14 In developing such rules ~~or orders~~, the Board:

15 (1) With respect to a solar net metering system of ~~40~~ 15 kW or less, the
16 Board shall provide that the system may be installed ten days after the
17 customer’s submission to the Board and the interconnecting electric company
18 of a completed registration form and certification of compliance with the
19 applicable interconnection requirements and the setback requirements, if any,
20 that apply to other kinds of development in the area of the facility under the
21 land use bylaws of the municipality in which the facility is located. Within that ten-

Comment [ADA4]: REV, GMP, VPIRG and possibly others question or seek removal of the setback language.

1 day period, the interconnecting electric company may deliver to the customer
2 and the Board a letter detailing any issues concerning the interconnection of
3 the system. The customer shall not commence construction of the system prior
4 to the passage of this ten-day period and, if applicable, resolution by the Board
5 of any interconnection issues raised by the electric company in accordance
6 with this subsection. If the ten-day period passes without delivery by the
7 electric company of a letter that raises interconnection issues in accordance
8 with this subsection, a certificate of public good shall be deemed issued on the
9 11th day without further proceedings, findings of fact, or conclusions of law,
10 and the customer may commence construction of the system. On request, the
11 Clerk of the Board promptly shall provide the customer with written evidence
12 of the system's approval. For the purpose of this subdivision, the following
13 shall not be included in the computation of time: Saturdays, Sundays, State
14 legal holidays under 1 V.S.A. § 371(a), and federal legal holidays under
15 5 U.S.C. § 6103(a).

16 (2) With respect to a net metering system for which a certificate of
17 public good is not deemed issued under subdivision (1) of this subsection, the
18 Board:

19 (A) may waive the requirements of section 248 of this title that are
20 not applicable to net metering systems, including criteria that are generally
21 applicable to public service companies as defined in this title;

1 (B) may modify notice and hearing requirements of this title as it
2 deems appropriate;

3 (C) shall seek to simplify the application and review process as
4 appropriate; and

5 (D) shall find that such rules are consistent with ~~state~~ State power
6 plans.

7 (3) The Board shall require that the registration or application for
8 approval of a net metering system declare whether the customer retains
9 ownership of the environmental attributes of any electricity generated by the
10 net metering system in excess of the customer's consumption during each
11 billing period or transfers ownership of those attributes to the interconnecting
12 electric company.

13 **(4) The Board shall apply the same application form, rules,**
14 **procedures, waivers of criteria, and interconnection requirements that it**
15 **applies under this section to all net metering systems of 150 kW or less to**
16 **the review and interconnection of any solar net metering system of 250**
17 **kW or less.**

18 * * *

19 (e) Consistent with the other provisions of this title, electric energy
20 measurement for net metering systems using a single nondemand meter that
21 are not group systems shall be calculated in accordance with

Comment [ADA5]: VPIRG requests applying the current process under Board rules for net metering systems of 150 kW or less to solar net metering systems of 250 kW or less.

1 subdivisions (1)-(3) of this subsection, and electric energy measurement for net
2 metering systems that use other types of meters shall be calculated in
3 accordance with subdivision (4) of this subsection.

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

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

12 (3) If electricity generated by the customer exceeds the electricity
13 supplied by the electric company, each of the following shall apply:

14 (A) The electric company shall calculate a monetary credit to the
15 customer by multiplying the excess kWh generated during the billing period by
16 the kWh rate paid by the customer for electricity supplied by the company
17 and shall apply the credit to any remaining energy usage charges on the
18 customer’s bill for that period; The monetary credit shall not apply to the
19 fixed customer charge or the energy efficiency charge on the customer’s
20 bill. If the applicable rate schedule includes inclining block rates, the rate used
21 for this calculation shall be a blend of those rates determined by adding

Comment [ADA6]: Rep. Canfield requests that this language be changed to reflect the commodity rate. Possible substitute language: the average real time locational marginal price of electric energy for the Vermont load zone during the billing period

Comment [ADA7]: Rep. Canfield requests that the credit not apply to the customer or energy efficiency charges.

Comment [ADA8]: Per Rep. Canfield’s request.

Comment [ADA9]: WEC requests adding the words “by their respective rate class.” Legislative counsel believes this issue is already addressed by the language, on line 15, “applicable rate schedule.”

1 together all of the revenues to the company during a recent test year from kWh
2 sold under those block rates and dividing the sum by the total kWh sold by the
3 company at those rates during that same year.

4 (B) If application to such **energy usage** charges does not use the
5 entire balance of the credit, the remaining balance of the credit shall appear on
6 the customer's bill for the following billing period; ~~and~~.

Comment [ADA10]: Per Rep. Canfield's request.

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

11 (4) For a net metering system serving a customer on a demand or
12 time-of-use rate schedule, the manner of measurement and the application of
13 bill credits for the electric energy produced or consumed shall be substantially
14 similar to that specified in this subsection for use with a single nondemand
15 meter. However, if such a net metering system is interconnected directly to the
16 electric company through a separate meter whose primary purpose is to
17 measure the energy generated by the system:

18 (A) The bill credits shall apply to all kWh generated by the net
19 metering system and shall be calculated as if the customer were charged the
20 kWh rate component of the interconnecting company's general residential rate

1 schedule that consists of two rate components: a service charge and a kWh
2 rate, excluding time-of-use rates and demand rates.

3 (B) If a company’s general residential rate schedule includes
4 inclining block rates, the residential rate used for this calculation shall be ~~the~~
5 highest of those block rates a blended rate calculated in the same manner as
6 under subdivision (3)(A) of this subsection.

7 * * *

8 (h)(1) An electric company:

9 (A) Shall make net metering available to any customer using a net
10 metering system or group net metering system on a first-come, first-served
11 basis until the cumulative output capacity of net metering systems equals ~~4.0~~
12 15 percent of the distribution company’s peak demand during 1996; or the
13 peak demand during the most recent full calendar year, whichever is greater.

14 After reaching this cap, an electric company may continue to accept solar
15 net metering systems of 15 kW or less without prior Board approval. The

16 In addition, the Board may raise the ~~4.0~~ 15 percent cap on petition of an
17 electric company. In determining whether to raise the cap, the Board shall

18 consider the following:

19 (i) the costs and benefits of net metering systems already
20 connected to the system; ~~and~~

Comment [ADA11]: VNRC and VPIRG request that a utility that has reached the cap be able to accept solar net metering systems eligible for registration.

Comment [ADA12]: WEC requests adding this language.

1 (ii) the potential costs and benefits of exceeding the cap, including
2 potential short- and long-term impacts on rates, distribution system costs and
3 benefits, reliability, and diversification costs and benefits; **and**

4 **(iii) the environmental benefits and costs;**

Comment [ADA13]: REV requests this change.

5 * * *

6 (E) May require a customer to comply with generation
7 interconnection, safety, and reliability requirements, as determined by the
8 Public Service Board by rule or order, and may charge reasonable fees for
9 interconnection, establishment, special metering, meter reading, accounting,
10 account correcting, and account maintenance of net metering arrangements of
11 greater than 15 kW capacity;

12 * * *

13 (I) ~~Deleted.~~ At the option of a net metering customer of the
14 company, may receive ownership of the environmental attributes of electricity
15 generated by the customer's net metering system **in excess of the customer's**
16 **consumption** during each billing period, including ownership of any
17 associated tradeable renewable energy credits. **If a customer elects this**
18 **option, the company shall retain ownership of and shall retire the**
19 **attributes and credits received from the customer,** which shall apply toward
20 compliance with any statutes enacted or rules adopted by the State requiring
21 the company to own the environmental attributes of renewable energy.

Comment [ADA14]: WEC requests deletion of this language.

Comment [ADA15]: Rep. Nuovo requests clarification of this provision.

1 (J) May in its rate schedules offer credits or other incentives that may
2 include monetary payments to net metering customers. These credits or
3 incentives shall not displace the benefits provided to such customers under
4 subsections (e) and (f) of this section.

5 (K) ~~Except as provided in subdivision (v) of this subdivision (1)(K),~~
6 ~~shall~~ Shall in its rate schedules offer a credit to each net metering customer
7 using solar energy that shall apply to each kWh generated by the customer's
8 solar net metering system and that shall not displace the benefits provided to
9 such customers under subsections (e) and (f) of this section.

10 (i) The credit required by this subdivision (K) shall be ~~\$0.20~~ the
11 adder sum minus the residential rate per kWh charged by the company as of
12 the date it files with the Board a proposed modification to its rate schedules to
13 effect this subdivision (K) or to revise a credit previously instituted under this
14 subdivision (K). ~~For the purposes of~~ Under this subdivision (K), ~~the~~:

15 (I) The adder sum shall be \$0.20 if the solar net metering
16 system is of 15 kW capacity or less and otherwise shall be \$0.19.

17 (II) The residential rate shall be the kWh rate charged by the
18 company under its general residential rate schedule that consists of two rate
19 components: a service charge and a kWh rate, and shall exclude time-of-use
20 rates and demand rates.

1 (III) If a company’s general residential rate schedule includes
2 inclining block rates, the residential rate shall be ~~the highest of those block~~
3 ~~rates~~ a blended rate calculated in the same manner as under subdivision (e)(3)
4 (A) of this section.

5 (IV) Notwithstanding the basis for this credit calculation, the
6 amount of the credit shall not fluctuate with changes in the underlying
7 residential rate used to calculate the amount.

8 (ii) The electric company shall apply the credit calculated in
9 accordance with subdivision (i) of this subdivision (1)(K) to generation from
10 each net metering system using solar energy regardless of the customer’s rate
11 class. A credit under this subdivision (K) shall be applied to all charges on the
12 customer’s bill from the electric company and shall be subject to the provisions
13 of subdivisions (e)(3)(B)(credit for unused balance) and (C)(12-month
14 reversion) and (f)(3)(credit for excess generation; group net metering) of this
15 section.

16 (iii) An electric company’s proposed modification to a rate
17 schedule to offer a credit under this subdivision (K) and any investigation
18 initiated by the Board or party other than the company of an existing credit
19 contained in such a rate schedule shall be reviewed in accordance with the
20 procedures set forth in section 225 of this title, except that:

1 (I) A company's proposed modification shall take effect on
2 filing with the Board and shall not be subject to suspension under section 226
3 of this title;

4 (II) Such a modification or investigation into an existing credit
5 shall not require review of the company's entire cost of service; and

6 (III) Such a modification or existing credit may be altered by
7 the Board for prospective effect only commencing with the date of the Board's
8 decision.

9 ~~(iv) Within 30 days of this subdivision's effective date, each~~
10 ~~electric company shall file a proposed modification to its rate schedule that~~
11 ~~complies with this subdivision (K). Such proposed modification, as it may be~~
12 ~~revised by the Board, shall not be changed for two years starting with the date~~
13 ~~of the Board's decision on the modification. After the passage of that two year~~
14 ~~period, further modifications to the amount of a credit under this subdivision~~
15 ~~may be made in accordance with subdivisions (i)–(iii) of this subdivision~~
16 ~~(1)(K).~~

17 ~~(v) An electric company shall not be required to offer a credit~~
18 ~~under this subdivision (K) if, as of the effective date of this subdivision, the~~
19 ~~result of the calculation described in subdivision (i) of this subdivision (1)(K)~~
20 ~~is zero or less.~~

Comment [ADA16]: WEC requests retention of this ¶.

1 ~~(vi)~~ A solar net metering system shall receive the amount of the
2 credit under this subdivision (K) that is in effect for the service territory in
3 which the system is installed as of the date of the system's installation and
4 shall continue to receive that amount for not less than 10 years after that date
5 regardless of any subsequent modification to the credit as contained in the
6 electric company's rate schedules.

7 ~~(vii)(v)~~ ~~Not later than 30 days after Board approval of an~~ If a solar
8 net metering system placed into service prior to the interconnecting electric
9 company's first rate schedule proposed to comply with this subdivision (1)(K),
10 ~~the company shall offer the amount of the credit contained in such rate~~
11 ~~schedule to each solar net metering system placed into service prior to the date~~
12 ~~on which the company submitted the proposed schedule to the Board. Each~~
13 ~~system that accepts this offer~~ accepted that rate schedule, the system shall
14 receive the credit for not less than 10 years after the date of ~~such~~ that
15 acceptance, provided that the system remains in service, and regardless of any
16 subsequent modification to the credit as contained in the company's rate
17 schedules.

18 ~~(vi)~~ Should an additional meter at the premises of the net metering
19 customer be necessary to implement this subdivision ~~(vii)(K)~~, or should that
20 meter need replacement because it fails or is destroyed, the net metering

1 customer shall not pay a charge greater than the cost of the equipment and
2 installation of the additional or replacement meter.

3 (2) All such requirements or credits or other incentives shall be pursuant
4 to and governed by a tariff approved by the ~~board and any applicable Board~~ Board
5 that is consistent with Board rule rules under this section, which tariffs and
6 rules shall be designed in a manner reasonably likely to facilitate net metering.
7 With respect to a credit or incentive under subdivision (1)(J) (optional credit or
8 incentive) or (K) (solar credit) of this subsection (h) that is provided to a net
9 metering system that constitutes new renewable energy under subdivision
10 8002(4) of this title:

11 (A) If the credit or incentive applies to each kWh generated by the
12 system, then the system's energy production shall count toward the goals and
13 requirements of subsection 8005(d) of this title.

14 (B) If the credit or incentive applies only to the system's net energy
15 production supplied to the company, then the increment of net energy
16 production supplied by the customer to the company through a net metering
17 system that is supported by such additional credit or incentive shall count
18 toward the goals and requirements of subsection 8005(d) of this title.

19 (i)(1) A net metering system using photovoltaic generation shall conform to
20 applicable electrical safety, power quality, and interconnection requirements
21 established by the National Electrical Code, the Institute of Electrical and

1 Electronic Engineers, and Underwriters Laboratories. The customer shall be
2 responsible for installation, testing, accuracy, and maintenance of net metering
3 equipment.

4 (2) ~~By March 1, 1999, the~~ The Board shall adopt, by rule ~~or order,~~
5 electrical safety, power quality, and interconnection requirements for net
6 metering equipment which uses generation technologies other than
7 photovoltaic technology. In developing safety rules, and any amendments to
8 those rules, the Board shall solicit input from representatives of utilities and
9 agents representing line workers.

10 (3) The Board may adopt, by rule ~~or order,~~ additional safety, power
11 quality, and interconnection requirements for customers that the Board
12 determines are necessary to protect public safety and system reliability.

13 (4) ~~Pending the effective date of requirements adopted by the Board~~
14 ~~under subsection (c) of this section and subdivision (2) of this subsection, an~~
15 ~~electric company may allow a customer to interconnect a net metering system,~~
16 ~~to be operated as provided in this section, if the company is reasonably~~
17 ~~satisfied concerning the safety and power quality of the system. The customer~~
18 ~~may then operate the net metering system pending application for and receipt~~
19 ~~of a certificate of public good under subsection (c) of this section, provided~~
20 ~~such application shall be made within three months after the effective date of~~
21 ~~requirements adopted by the Board under subsection (c).~~

1 group of facilities does not exceed five MW and each facility otherwise meets
2 the definition of a net metering system. In applying this definition to the
3 facility or group of facilities, the Board shall treat the electric cooperative's
4 consumption as the consumption of a customer.

5 (2) As part of this pilot project, the electric cooperative may propose to
6 the Board credit amounts, bill procedures, or energy measurement
7 methodologies that are alternative to the requirements of subsections
8 (e) (credits; single meter systems), (f) (credits; group net metering systems),
9 and (g) (requirements, group net metering systems) and subdivision (h)(1)(K)
10 (required solar incentive) of this section. Using the procedures set forth in
11 section 225 of this title, the Board may approve these alternatives if it
12 determines that they are just and reasonable.

13 (3) Under this pilot project, the electric cooperative may seek siting
14 approval for the facility or group of facilities pursuant to the Board's order
15 issued under subsection 8007(b) of this title, notwithstanding that subsection's
16 limitation to plants with a plant capacity greater than 150 kW and 2.2 MW or
17 less.

18 (4) If an electric cooperative elects to implement a pilot project under
19 this subsection, then:

1 (A) the allocation of the pilot project toward the cooperative’s
2 cumulative output capacity under subdivision (h)(1)(A) of this section shall
3 not exceed be four percent; and

Comment [ADA18]: Requested by VEC.

4 (B) any remaining unallocated capacity of the cooperative under
5 subdivision (h)(1)(A) of this section as of the effective date of this act shall be
6 allocated equally among calendar years 2014, 2015, and 2016, with any unused
7 capacity in any one year carrying forward to the next year at the cooperative’s
8 discretion.

Comment [ADA19]: Requested by VEC.

9 (o) ~~An~~ This subsection relieves an electric company that meets and
10 maintains the renewable energy achievement requirements of subdivision (1)
11 of this subsection ~~may implement from the obligation to make net metering~~
12 available in accordance with subsections (b) (same rates and charges), (e)
13 (measurement; credits), and (h) (electric company obligations; authority)
14 of this title if the company submits to the Board a proposed rate schedule
15 for an alternative net metering program ~~if approved in accordance with~~
16 under subdivision (2) of this subsection within 90 days of meeting the
17 achievement requirements of subdivision (1).

Comment [ADA20]: Based on changes requested by WEC.

18 (1) This renewable energy achievement provision shall require that:

19 (A) the cumulative output capacity of net metering systems installed
20 in the electric company’s service territory, calculated in accordance with
21 subdivision (h)(1)(A) of this section, meets or exceeds 10 percent;

1 (B) the electric company owns and has retired tradeable renewable
2 energy credits monitored and traded on the New England Generation
3 Information System equivalent to 90 percent of the company’s total annual
4 retail sales of electricity for the prior year; and

5 (C) the electric company certifies, by annual written submission to
6 the Board, compliance with the requirements of subdivisions (1)(A) and (B) of
7 this subsection (o).

8 (2) Using the procedures set forth in section 225 of this title, an electric
9 company that meets the requirements of subdivision (1) of this subsection may
10 propose to the Board a rate schedule to implement a net metering program in
11 its service territory that is consistent with the company’s supply portfolio, that
12 may have a capacity limit that differs from the limit contained in the definition
13 of net metering system, that may require the company to own the
14 environmental attributes of generation within the program and any associated
15 tradeable renewable energy credits, and that may provide for credit amounts,
16 bill procedures, or energy measurement methodologies that are alternative to
17 the requirements of subsections (e) (credits; single meter systems), (f) (credits;
18 group net metering systems), and (g) (requirements, group net metering
19 systems) and subdivision (h)(1)(K) (required solar incentive) of this section.
20 The Board may approve this rate schedule if it determines that it is just and
21 reasonable.

Comment [ADA21]: Rep. Nuovo suggests adding “its” before “tradeable renewable energy credits” here.

1 **(p) The Board shall establish a pilot project to support the**
2 **development of net metering systems on landfills.**

3 * * * Comprehensive Net Metering Revisions for 2017 * * *

4 **Sec. 2. REVISED NET METERING PROGRAM; DEVELOPMENT;**
5 **REPORTS; RULEMAKING**

6 (a) Process; revised program. This section creates a process to result in the
7 establishment of a revised net metering program commencing on January 1,
8 2017. The components of the process include a report by the Department of
9 Public Service (DPS) to the Public Service Board (Board or PSB), one or more
10 workshops by the Board, the adoption of rules for the new program by the
11 Board with a contemporaneous report by the Board to the General Assembly,
12 and the adoption of new net metering rate schedules by Vermont's retail
13 electricity providers.

14 (b) DPS report to Board. On or before October 1, 2014, the DPS shall
15 submit a report to the Board that evaluates the current state of net metering in
16 Vermont. The report shall:

17 (1) analyze the current pace of net metering deployment, both statewide
18 and within the service territory of each electric company;

19 (2) after considering the goals and policies of 10 V.S.A. § 578
20 (greenhouse gas reduction), 30 V.S.A. § 202a (State energy policy), 30 V.S.A.
21 chapter 89 (renewable energy), and the Comprehensive Energy Plan issued in

Comment [ADA22]: VNRC and VPIRG propose such a pilot with the following details (statutory language to be developed if committee wants to pursue):

We propose an additional net metering pilot that would allow up to 5 MW of solar could be built on closed landfills. These landfill solar projects:

- Could be up to 1 MW in size each.
- Would have to provide all their net metering credits to municipalities, school districts or other public sector entities
- Would not be subject to or count toward the (15%) capacity limit.
- Projects would qualify for this pilot at the discretion of the utility in whose territory they are proposed to be built.
- This pilot would not be applicable to utilities implementing the renewable energy achievement pilot outlined in subsection (o)

Comment [ADA23]: Rep. Nuovo suggests moving this section to after what is now Sec. 5 (the new § 8010), so that it follows the section that governs the rulemaking.

1 2011, recommend the future pace of net metering deployment statewide and
2 within the service territory of each electric company;

3 (3) analyze the existence and degree of cross-subsidy between net
4 metering customers and other customers on a statewide and on an individual
5 electric company basis;

6 (4) evaluate the effect of net metering on electric company infrastructure
7 and revenue;

8 **(5) evaluate the benefits to net metering customers of connecting to**
9 **the electric company's distribution system;**

Comment [ADA24]: Requested by GMP.

10 (6) analyze the economic and environmental benefits of net metering,
11 and the short- and long-term impacts on rates, both statewide and for each
12 electric company;

13 (7) analyze the reliability and supply diversification costs and benefits
14 of net metering; and

15 (8) examine and evaluate best practices for net metering identified from
16 other states.

17 (c) Workshops. Beginning in October 2014, the Board shall convene one
18 or more workshops to solicit the input of potentially affected parties and the
19 public on the design of a revised net metering program. The Board shall
20 provide notice of the workshops on its website and directly to the Department,
21 the electric companies, and Renewable Energy Vermont and to any other

1 person that requests direct notice or to whom the Board may consider direct
2 notice appropriate. The Board also shall provide an opportunity for
3 submission of written comments, which the notice shall include.

4 (d) Rulemaking. On completion of the workshops, the Board shall
5 commence a rulemaking proceeding and, on or before January 1, 2016, shall
6 finally adopt rules for a revised net metering program to take effect on
7 January 1, 2017.

8 (1) 30 V.S.A. § 219a shall not apply to the rules to be adopted under
9 this section.

10 (2) The provisions of Secs. 4 (definitions; 30 V.S.A. § 8001) and
11 5 (self-generation and net metering; 30 V.S.A. § 8010) shall apply to the rules
12 to be adopted under this section. Within the requirements of these provisions,
13 the Board may consider approaches to net metering that are alternative to those
14 currently employed in the State and that ensure a sustainable net metering
15 program that achieves, in a balanced and equitable manner, the goals and
16 policies identified in subdivision (b)(2) of this section.

17 (3) In adopting rules under this section, the Board shall consider the
18 DPS report under subsection (b) of this section and the comments received
19 during the workshop process under subsection (c) of this section.

20 (e) On or before January 1, 2016, the Board shall provide a report to the
21 House Committee on Natural Resources and Energy, Senate Committee on

1 Natural Resources and Energy, and Senate Committee on Finance on
2 January 1, 2016, summarizing the public comment received, providing the
3 Board’s evaluation of the effectiveness of the existing net metering program,
4 describing the alternative approaches to net metering that it considered in
5 adopting the rules under this section, and summarizing and attaching the rules
6 adopted by the Board under this section.

7 (f) Following the Board’s final adoption of rules under this section, each
8 retail electricity provider within the meaning of 30 V.S.A. § 8002 shall, on a
9 schedule directed by the Board, submit revised rate schedules that comply with
10 those rules, for effect on January 1, 2017. The provisions of Secs. 4
11 (definitions; 30 V.S.A. § 8001) and 5 (self-generation and net metering;
12 30 V.S.A. § 8010) shall apply to the rate schedules to be adopted under this
13 section.

14 Sec. 3. REPEAL

15 30 V.S.A. §§ 219a (self-generation and net metering) and 219b (net
16 metering program expansion) are repealed.

17 Sec. 4. 30 V.S.A. § 8002 is amended to read:

18 § 8002. DEFINITIONS

19 As used in this chapter:

20 (1) “Board” means the Public Service Board under section 3 of this title,
21 except when used to refer to the Clean Energy Development Board.

1 (2) “Commissioned” or “commissioning” means the first time a plant is
2 put into operation following initial construction or modernization if the costs of
3 modernization are at least 50 percent of the costs that would be required to
4 build a new plant including all buildings and structures technically required for
5 the new plant’s operation. However, these terms shall not include activities
6 necessary to establish operational readiness of a plant.

7 (3) “CPI” means the Consumer Price Index for all urban consumers,
8 designated as “CPI-U,” in the northeast region, as published by the U.S.
9 Department of Labor, Bureau of Labor Statistics.

10 (4) “Customer” means a retail electric consumer.

11 (5) “Department” means the Department of Public Service under
12 section 1 of this title, unless the context clearly indicates otherwise.

13 ~~(5)~~(6) “Energy conversion efficiency” means the effective use of energy
14 and heat from a combustion process.

15 ~~(6)~~(7) “Environmental attributes” means the characteristics of a plant
16 that enable the energy it produces to qualify as renewable energy and include
17 any and all benefits of the plant to the environment such as avoided emissions
18 or other impacts to air, water, or soil that may occur through the plant’s
19 displacement of a nonrenewable energy source.

20 ~~(7)~~(8) “Existing renewable energy” means renewable energy produced
21 by a plant that came into service prior to or on December 31, 2004.

1 ~~(8)~~(9) “Greenhouse gas reduction credits” shall be as defined in section
2 8006a of this title.

3 (10) “Group net metering system” means a net metering system serving
4 more than one customer located within the service area of the same retail
5 electricity provider. Various buildings owned by municipalities, including
6 water and wastewater districts, fire districts, villages, school districts, and
7 towns, may constitute a group net metering system. A union or district school
8 facility shall be considered in the same group net metering system with
9 buildings of its member municipalities that are located within the service area
10 of the same retail electricity provider that serves the facility.

11 ~~(9)~~(11) “kW” means kilowatt or kilowatts (AC).

12 ~~(10)~~(12) “kWh” means kW hour or hours.

13 ~~(11)~~(13) “MW” means megawatt or megawatts (AC).

14 ~~(12)~~(14) “MWH” means MW hour or hours.

15 (15) “Net metering” means measuring the difference between the
16 electricity supplied to a customer and the electricity fed back by the customer’s
17 net metering system during the customer’s billing period:

18 (A) using a single, nondemand meter or such other meter that would
19 otherwise be applicable to the customer’s usage but for the use of net
20 metering; or

1 (B) if the system serves more than one customer, using multiple
2 meters. The calculation shall be made by converting all meters to a
3 nondemand, nontime-of-day meter, and equalizing them to the tariffed
4 kWh rate.

5 (16) “Net metering system” means a plant for generation of
6 electricity that:

7 (A) is of no more than 500 kW capacity;

8 (B) operates in parallel with facilities of the electric
9 distribution system;

10 (C) is intended primarily to offset the customer’s own
11 electricity requirements;

12 (D) is located on the customer’s premises or, in the case of a plant to
13 serve more than one customer, on the premises of one of the customers to be
14 served; and

15 (E)(i) employs a renewable energy source; or

16 (ii) is a qualified micro-combined heat and power system of
17 20 kW or fewer that meets the definition of combined heat and power in
18 subsection 8015(b) of this title and uses any fuel source that meets air
19 quality standards.

20 ~~(13)~~(17) “New renewable energy” means renewable energy produced by
21 a specific and identifiable plant coming into service after December 31, 2004.

Comment [ADA25]: Suncommon and REV request amendment or removal of the on-premises requirement.

1 (A) Energy from within a system of generating plants that includes
2 renewable energy shall not constitute new renewable energy, regardless of
3 whether the system includes specific plants that came or come into service
4 after December 31, 2004.

5 (B) “New renewable energy” also may include the additional energy
6 from an existing renewable energy plant retrofitted with advanced technologies
7 or otherwise operated, modified, or expanded to increase the kWh output of the
8 plant in excess of an historical baseline established by calculating the average
9 output of that plant for the 10-year period that ended December 31, 2004. If
10 the production of new renewable energy through changes in operations,
11 modification, or expansion involves combustion of the resource, the system
12 also must result in an incrementally higher level of energy conversion
13 efficiency or significantly reduced emissions.

14 ~~(14)~~(18) “Plant” means an independent technical facility that generates
15 electricity from renewable energy. A group of ~~newly constructed~~ facilities,
16 such as wind turbines, shall be considered one plant if the group is part of the
17 same project and uses common equipment and infrastructure such as roads,
18 control facilities, and connections to the electric grid. Common ownership,
19 contiguity in time of construction, and proximity of facilities to each other
20 shall be relevant to determining whether a group of facilities is part of the same
21 project.

1 ~~(15)~~(19) “Plant capacity” means the rated electrical nameplate for a
2 plant, except that, in the case of a solar energy plant, the term shall mean the
3 aggregate AC nameplate capacity of all inverters used to convert the plant’s
4 output to AC power.

5 ~~(16)~~(20) “Plant owner” means a person who has the right to sell
6 electricity generated by a plant.

7 ~~(17)~~(21) “Renewable energy” means energy produced using a
8 technology that relies on a resource that is being consumed at a harvest rate at
9 or below its natural regeneration rate.

10 (A) For purposes of this subdivision ~~(17)~~(21), methane gas and other
11 flammable gases produced by the decay of sewage treatment plant wastes or
12 landfill wastes and anaerobic digestion of agricultural products, byproducts, or
13 wastes shall be considered renewable energy resources, but no form of solid
14 waste, other than agricultural or silvicultural waste, shall be considered
15 renewable.

16 (B) For purposes of this subdivision ~~(17)~~(21), no form of nuclear fuel
17 shall be considered renewable.

18 (C) The only portion of electricity produced by a system of
19 generating resources that shall be considered renewable is that portion
20 generated by a technology that qualifies as renewable under this
21 subdivision ~~(17)~~(21).

1 (D) ~~After conducting administrative proceedings, the~~ The Board by
2 rule may add technologies or technology categories to the definition of
3 “renewable energy,” provided that technologies using the following fuels shall
4 not be considered renewable energy supplies: coal, oil, propane, and
5 natural gas.

6 (E) ~~For the purposes of~~ In this chapter, renewable energy refers to
7 either “existing renewable energy” or “new renewable energy.”

8 ~~(18)(22)~~(A) “Renewable pricing” shall mean an optional service
9 provided or contracted for by an electric company:

10 (i) under which the company’s customers may voluntarily either:

11 (I) purchase all or part of their electric energy from renewable
12 sources as defined in this chapter; or

13 (II) cause the purchase and retirement of tradeable renewable
14 energy credits on the participating customer’s behalf; and

15 (ii) which increases the company’s reliance on renewable sources
16 of energy beyond those the electric company would otherwise be required to
17 provide under section 218c of this title.

18 (B) Renewable pricing programs may include:

19 (i) contribution-based programs in which participating customers
20 can determine the amount of a contribution, monthly or otherwise, that will be

1 deposited in a Board-approved fund for new renewable energy project
2 development;

3 (ii) energy-based programs in which customers may choose all or
4 a discrete portion of their electric energy use to be supplied from renewable
5 resources;

6 (iii) facility-based programs in which customers may subscribe to
7 a share of the capacity or energy from specific new renewable energy
8 resources.

9 ~~(19)~~(23) “Retail electricity provider” or “provider” means a company
10 engaged in the distribution or sale of electricity directly to the public.

11 ~~(20)~~(24) “SPEED Facilitator” means an entity appointed by the Board
12 pursuant to subdivision 8005(b)(1) of this title.

13 ~~(21)~~(25) “SPEED resources” means contracts for resources in the
14 SPEED program established under section 8005 of this title that meet the
15 definition of renewable energy under this section, whether or not
16 environmental attributes are attached.

17 ~~(22)~~(26) “Tradeable renewable energy credits” means all of the
18 environmental attributes associated with a single unit of energy generated by a
19 renewable energy source where:

20 (A) those attributes are transferred or recorded separately from that
21 unit of energy;

1 (B) the party claiming ownership of the tradeable renewable energy
2 credits has acquired the exclusive legal ownership of all, and not less than all,
3 the environmental attributes associated with that unit of energy; and

4 (C) exclusive legal ownership can be verified through an auditable
5 contract path or pursuant to the system established or authorized by the Board
6 or any program for tracking and verification of the ownership of environmental
7 attributes of energy legally recognized in any state and approved by the Board.

8 ~~(23)~~(27) “Vermont composite electric utility system” means the
9 combined generation, transmission, and distribution resources along with the
10 combined retail load requirements of the Vermont retail electricity providers.

11 Sec. 5. 30 V.S.A. § 8010 is added to read:

12 § 8010. SELF-GENERATION AND NET METERING

13 (a) A customer may install and operate a net metering system in accordance
14 with this section and the rules adopted under this section.

15 (b) A net metering customer shall pay the same rates, fees, or other
16 payments and be subject to the same conditions and requirements as all other
17 purchasers from the interconnecting retail electricity provider in the same
18 rate-class, except as this section or the rules adopted under this section may
19 provide, and except for appropriate and necessary conditions approved by the
20 Board for the safety and reliability of the electric distribution system.

Comment [ADA26]: WEC proposes to add the following to the beginning of this sentence: “Unless otherwise provided under an achievement tariff pursuant to 30 V.S.A. § 219a(o)” However, this section – new § 8010 – that goes into effect on the date that § 219a is repealed.

1 (c) In accordance with this section, the Board shall adopt and implement
2 rules that govern the installation and operation of net metering systems.

3 (1) The rules shall establish and maintain a net metering program that:

4 (A) advances the goals and total renewables targets of this chapter
5 and the goals of 10 V.S.A. § 578 (greenhouse gas reduction) and is consistent
6 with the criteria of subsection 248(b) of this title;

7 (B) achieves a level of deployment that is consistent with the
8 recommendations of the Electrical Energy and Comprehensive Energy Plans
9 under sections 202 and 202b of this title, unless the Board determines that this
10 level is inconsistent with the goals and targets identified in subdivision (1)(A)
11 of this subsection. Under this subdivision (B), the Board shall consider the
12 Plans most recently issued at the time the Board adopts or amends the rules;

13 (C) promotes equity between net metering customers and other
14 customers;

15 (D) accounts for all costs and benefits of net metering, including the
16 potential for net metering to contribute toward relieving supply constraints in
17 the transmission and distribution systems and to reduce consumption of fossil
18 fuels for heating and transportation;

19 (E) ensures that all customers who want to participate in net metering
20 have the opportunity to do so;

1 (F) balances, over time, the pace of deployment and cost of the
2 program with the program’s impact on rates; and

3 (G) accounts for changes over time in the cost of technology.

4 (2) The rules shall include provisions that govern:

5 (A) the cumulative plant capacity of net metering systems to be
6 installed over time;

7 (B) the transfer of certificates of public good issued for net metering
8 systems and the abandonment of net metering systems;

9 (C) the respective duties of retail electricity providers and net
10 metering customers;

11 (D) the electrical safety, power quality, interconnection, and metering
12 of net metering systems;

13 (E) the formation of group net metering systems, the resolution of
14 disputes between group net metering customers and the interconnecting
15 provider, and the billing, crediting, and disconnection of group net metering
16 customers by the interconnecting provider;

17 (F) the amount of the credit to be assigned to each kWh of electricity
18 generated by a net metering customer in excess of the electricity supplied by
19 the interconnecting provider to the customer, the manner in which the
20 customer’s credit will be applied on the customer’s bill, and the period during

1 which a net metering customer must use the credit, after which the credit shall
2 revert to the interconnecting provider; and

3 (G) the ownership and transfer of the environmental attributes of
4 energy generated by net metering systems and of any associated tradeable
5 renewable energy credits.

6 (3) The rules shall establish standards and procedures governing
7 application for and issuance or revocation of a certificate of public good for net
8 metering systems under the provisions of section 248 of this title. In
9 establishing these standards and procedures, the rules:

10 (A) may waive the requirements of section 248 of this title that are
11 not applicable to net metering systems, including criteria that are generally
12 applicable to public service companies as defined in this title;

13 (B) may modify notice and hearing requirements of this title as the
14 Board considers appropriate; and

15 (C) shall seek to simplify the application and review process as
16 appropriate.

17 **(4) In adopting rules under this section, the Board shall consider**
18 **equity among retail electricity providers in the implementation of net**
19 **metering.**

20 **(5) This section does not require the Board to adopt identical**
21 **requirements for the service territory of each retail electricity provider.**

Comment [ADA27]: Based on a request by WEC to direct the Board to consider equity among distribution utilities.

Comment [ADA28]: Requested by VEC.

1 (6) Each retail electricity provider shall implement net metering in its
2 service territory through a tariff that is consistent with this section and the rules
3 adopted under this section and is approved by the Board.

4 * * * Technical Corrections * * *

5 *[TO BE COMPLETED]*

6 * * * Effective Dates * * *

7 Sec. 6. EFFECTIVE DATES; APPLICABILITY; IMPLEMENTATION

8 (a) This section and Secs. 1 (self-generation and net metering; 30 V.S.A.
9 § 219a) and 2 (revised net metering program; development; reports;
10 rulemaking) shall take effect on passage.

11 (b) In this subsection, “amended subdivisions” means 30 V.S.A.
12 § 219a(e)(3)(A) (credits; blended rate), (e)(4)(B) (credits; blended rate) and
13 (h)(1)(K) (mandatory solar incentive) as amended by Sec. 1 of this act.
14 Electric distribution companies shall implement the amended subdivisions in
15 accordance with the following schedule:

16 (1) Within 30 days of passage, an electric distribution company shall file
17 with the Public Service Board a proposed modification to its net metering rate
18 schedule that complies with the amended subdivisions if, as of December 31,
19 2013, the cumulative output capacity of net metering systems in the company’s
20 service territory was not less than 4.0 percent of its peak demand during 1996
21 or its peak demand during 2012, whichever peak demand was greater. In

Comment [ADA29]: REV requests changing this period to 15 days.

1 accordance with 30 V.S.A. § 219a(h)(1)(K)(I), this proposed modification shall
2 take effect on filing with the Board.

3 (2) On or before November 15, 2014, each electric distribution company
4 that is not subject to subdivision (b)(1) of this section shall file with the Public
5 Service Board a proposed modification to its net metering rate schedule that
6 complies with the amended subdivisions. Notwithstanding 30 V.S.A.
7 § 219a(h)(1)(K)(I) and the effective date of Sec. 1, this proposed modification
8 shall take effect on and no earlier than January 1, 2015.

9 **(3) In the alternative to filing a proposed rate schedule to implement**
10 **the amended subdivisions, an electric company that meets the renewable**
11 **energy achievement requirements of 30 V.S.A. § 219a(o)(1) may, within 90**
12 **days of passage, file with the Board a proposed rate schedule to implement**
13 **an alternative net metering program in accordance with 30 V.S.A. §**
14 **219a(o)(2).**

15 (c) In Sec. 1, 30 V.S.A. § 219a(a)(1) (definitions; capacity) shall apply to
16 net metering systems for which applications are filed on and after July 1, 2014
17 and shall not apply to net metering systems for which applications were filed
18 before that date.

19 (d) Sec. 3 (repeal of 30 V.S.A. §§ 219a, 219b) shall take effect on January
20 1, 2017. However, nothing in this section or in the repeal of 30 V.S.A. § 219a
21 or 219b shall affect the validity or terms of a certificate of public good issued

Comment [ADA30]: Based on a request from WEC.

1 for a net metering system prior to that date. **A solar net metering system**
2 **receiving a mandatory incentive under 30 V.S.A. § 219a(h)(1)(K) shall**
3 **continue to receive that incentive through the end of the 10-year period set**
4 **forth in that subsection.**

Comment [ADA31]: Clarified at Rep. Nuovo's request.

5 (e) Secs. 4 (definitions; 30 V.S.A. § 8002) and 5 (self-generation and net
6 metering; 30 V.S.A. § 8010) shall take effect on January 1, 2017, except that
7 on passage of this act, these sections shall apply to the reports to be submitted
8 and the rules and rate schedules to be adopted under Sec. 2.

9 (f) 30 V.S.A. § 219a and rules adopted under that section shall govern net
10 metering systems filed prior to January 1, 2017.

11 (g) 30 V.S.A. § 8010 and rules adopted under that section shall govern
12 applications for net metering systems filed on and after January 1, 2017.