

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 702
3 entitled “An act relating to self-generation and net metering” respectfully
4 reports that it has considered the same and recommends that the Senate
5 propose to the House that the bill be amended as follows:

6 First: In Sec. 1, 30 V.S.A. § 219a, in subdivision (e)(3) (excess generation;
7 single nondemand meter), by striking out subdivision (A) and inserting in lieu
8 thereof a new subdivision (A) to read:

9 (A) The electric company shall calculate a monetary credit to the
10 customer by multiplying the excess kWh generated during the billing period by
11 the kWh rate paid by the customer for electricity supplied by the company and
12 shall apply the credit to any remaining charges on the customer’s bill for that
13 period; If the applicable rate schedule includes inclining block rates:

14 (i) for a net metering system that does not use solar energy, the
15 rate used for this calculation shall be a blend of those rates determined by
16 adding together all of the revenues to the company during a recent test year
17 from kWh sold under those block rates and dividing the sum by the total kWh
18 sold by the company at those rates during that same year; and

19 (ii) for a solar net metering system, the rate used for this
20 calculation:

1 (I) during the ten years immediately following the system's
2 installation shall be the highest of those block rates and, after this ten-year
3 period, shall be the blended rate in accordance with subdivision (i) of this
4 subdivision (A); or

5 (II) if the electric company's highest block rate exceeds the
6 adder sum described in subdivision (h)(1)(K) of this section, then for the first
7 year immediately following the system's installation, the electric company
8 may use the adder sum to calculate the credit in lieu of the highest block rate,
9 provided that during the following nine years, the electric company shall adjust
10 the system's credit by a percentage equal to the percentage of each change in
11 its highest block rate during the same period, and after the first ten years
12 following the system's installation, the rate used to calculate the credit shall be
13 the blended rate in accordance with subdivision (i) of this subdivision (A).

14 Second: In Sec. 1, 30 V.S.A. § 219a, in subsection (e) (electric energy
15 measurement), by striking out subdivision (4) (excess generation; demand
16 meter or time-of-use meter) and inserting in lieu thereof a new subdivision (4)
17 to read:

18 (4) For a net metering system serving a customer on a demand or
19 time-of-use rate schedule, the manner of measurement and the application of
20 bill credits for the electric energy produced or consumed shall be substantially
21 similar to that specified in this subsection for use with a single nondemand

1 meter. However, if such a net metering system is interconnected directly to the
2 electric company through a separate meter whose primary purpose is to
3 measure the energy generated by the system:

4 (A) The bill credits shall apply to all kWh generated by the net
5 metering system and shall be calculated as if the customer were charged the
6 kWh rate component of the interconnecting company's general residential rate
7 schedule that consists of two rate components: a service charge and a kWh
8 rate, excluding time-of-use rates and demand rates.

9 (B) If a company's general residential rate schedule includes
10 inclining block rates, the residential rate used for this calculation shall be ~~the~~
11 ~~highest of those block rates~~ a rate calculated in the same manner as under
12 subdivision (3)(A) of this subsection (e).

13 Third: In Sec. 1, 30 V.S.A. § 219a, in subdivision (h)(1)(K)(i) (solar
14 incentive calculation), by striking out subdivision (III) (blended rate) and
15 inserting in lieu thereof a new subdivision (III) to read:

16 (III) If a company's general residential rate schedule includes
17 inclining block rates, the residential rate shall be the highest of those block
18 rates.

19 Fourth: In Sec. 1, 30 V.S.A. § 219a, by striking out subsection (m) and
20 inserting in lieu thereof a new subsection (m) to read:

1 (m)**(1)** A facility for the generation of electricity to be consumed primarily
2 by the Military Department established under 3 V.S.A. § 212 and 20 V.S.A.
3 § 361(a) or the National Guard as defined in 32 U.S.C. § 101(3), and installed
4 on property of the Military Department or National Guard located in Vermont,
5 shall be considered a net metering system for purposes of this section if it has a
6 capacity of 2.2 MW or less and meets the provisions of subdivisions ~~(a)(3)(B)~~
7 ~~through (E)~~ **(a)(6)(B)–(D)** of this section.

8 **(2) If the interconnecting electric company agrees, a solar facility or**
9 **group of solar facilities for the generation of electricity, to be installed by**
10 **one or more municipalities on a capped landfill, shall be considered a net**
11 **metering system for purposes of this section if the facility or group of**
12 **facilities has a total capacity of 2.2 MW or less and meets the provisions of**
13 **subdivisions (a)(6)(B)–(D) of this section. The facilities or group of**
14 **facilities may serve as a group net metering system that includes each**
15 **participating municipality and may include members who are not a**
16 **municipality. In this subdivision (2), “municipality” shall have the same**
17 **meaning as under 24 V.S.A. § 4551.**

18 **(3) Such a A facility described in this subsection** shall not be subject to
19 and shall not count toward the capacity limits of subdivisions ~~(a)(3)(A)~~
20 **(a)(6)(A)** (no more than 500 kW) and (h)(1)(A) (~~four~~ **15** percent of peak
21 demand) of this section.

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Fifth: In Sec. 1, 30 V.S.A. § 219a(n), in the first sentence, after “facilities” by inserting to produce power and, before “installed,” by inserting to be

Sixth: In Sec. 1, 30 V.S.A. § 219a (self-generation and net metering), in subdivision (o)(1) (renewable energy achievement requirements), by striking out subdivision (B) and inserting in lieu thereof a new subdivision (B) to read:

(B) the electric company owns and has retired tradeable renewable energy credits monitored and traded on the New England Generation Information System equivalent to 90 percent of the company’s total periodic retail sales of electricity calculated on a monthly basis commencing with the effective date of this subsection (o) and switching to an annual basis beginning one year after the effective date of this subsection; and

Seventh: In Sec. 4, 30 V.S.A. § 8010, in subsection (c), by striking out subdivision (3) and inserting in lieu thereof a new subdivision (3) to read:

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

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

1 (B) may modify notice and hearing requirements of this title as the
2 Board considers appropriate; **and**

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

5 **(D) with respect to net metering systems that exceed 150 kW in**
6 **plant capacity, shall apply the so-called “Quechee” test for aesthetic**
7 **impact as described by the Vermont Supreme Court in the case of In re**
8 **Halnon, 174 Vt. 515 (2002) (mem.). The rules and application form shall**
9 **state the components of this test.**

10 Eighth: In Sec. 10 (effective dates; applicability; implementation), in
11 subsection (b), by striking out the first sentence and inserting in lieu thereof:

12 In this subsection, “amended subdivisions” means 30 V.S.A.
13 § 219a(e)(3)(A) (credits), (e)(4)(B)(credits), and (h)(1)(K) (mandatory solar
14 incentive) as amended by Sec. 1 of this act.

15 Ninth: In Sec. 10 (effective dates; applicability; implementation), by
16 adding a subsection (h) to read:

17 (h) During statutory revision, the Office of Legislative Council shall
18 substitute the actual dates for the phrases, in 30 V.S.A. § 219a(o)(1)(B),
19 “effective date of this subsection” and “one year after the effective date of this
20 subsection.”

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2 (Committee vote: _____)

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Senator

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FOR THE COMMITTEE