Net Metering 2.0

- Four categories of NM systems, plus hydro
  - Category I: 15 kW and under
  - Category II: 15-150 kW on preferred sites
  - Category III: 150-500 kW on preferred sites
  - Category IV: 15-150 kW not on preferred sites
  - Hydroelectric
- Note that there is no place for 150-500 kW outside of preferred sites
- No cap
- Compensation based on whichever is lower, the utility's blended residential rate or the statewide average blended residential rate

Preferred Sites

- On a pre-existing structure
- Parking lot canopies
- Previously developed land
- Brownfields
- Landfills
- Gravel pits
- Town-designated sites
- Superfund sites
- On the same parcel as an customer taking 50% or more of the output

Adjustors: Siting and RECs

- REC adjustors:
  - +3 cents/kWh credit for ten years if RECs go to utility
  - -3 cents/kWh (debit) for the life of the system if RECs are held by the generator
  - Expected to result in all projects assigning RECs to the utility
- Siting:
  - By Category
    - I and II: +1 cent/kWh for 10 years
    - III: -1 cent/kWh (debit) for lifetime
    - IV: -3 cents/kWh (debit) for lifetime
    - Hydro: 0 cents/kWh
- Biannual proceeding to revisit adjustors, category definitions, and levels of compensation
  - Changes to be informed by the pace of development of different types of NM

Financial changes from the current program

- Small rooftop system compensation is almost unchanged (falling by 3% or so)
- ~150 kW-scale projects will be compensated at 10-30% less than the current program (10% less for preferred sites; 30% less for other sites)
- ~500 kW-scale projects will be compensated about 20% less than the current program, and must be on preferred sites

- The rules grandfather existing systems under their existing financial regime until they are 10 years old; after 10 years, production is credited at the blended residential rate and credits may not be applied toward non-bypassable charges

Act 174 of 2016

- *Among other things*, establishes a new, voluntary municipal and regional energy planning paradigm
- Tasks DPS with creating recommendations and standards for ensuring plans are consistent with state energy goals and policies
- If a regional or municipal plan is determined to be consistent with the standards, it will receive substantial deference in Section 248 for its land conservation measures and specific policies, when the PSB looks at orderly development
- Asks regions and towns to look and plan for future energy use across all energy sectors; and to identify "potential areas for the development and siting of renewable energy resources" and "areas that are unsuitable for siting those resources or particular categories or sizes of those resources"
- Is based on planning already underway in all 11 regions

Act 174 Standards Development Process

- Focus groups on transportation, efficiency, and generation held over the summer
- Survey (150 responses received)
- Cross-cutting forum (60 attendees)
- Draft standards & CEP recommendations posted for comment in September
- Oct. 11 public hearing
- Detailed written comments received from regions, municipalities, organizations, and individuals
- Standards and recommendations published Nov. 1

Standards Training & Technical Assistance Timeline

- Nov. 1, 2016: standards and recommendations published
- By December 2016:
  - DPS presentations to VLCT, VPA, VECAN
  - DPS publishes additional guidance
  - RPCs each hold one training (completed this week)
- By February 28, 2017: RPCs hold second trainings
- By April 30, 2017: RPCs provide analyses & maps to all municipalities
- By July 31, 2017: Custom technical assistance to at least 3 towns per region
- By August 31, 2017: Municipal best practice compilation completed

Regional Trainings

- December 6: Northwest RPC
- December 7: Two Rivers-Ottauquechee, Addison County, Windham RPCs
- December 8: Chittenden County, Southern Windsor RPCs
- December 12: Lamoille County, Rutland RPCs
- December 14: Central Vermont RPC

<u>Summary of Trainings</u>

- **227** local officials attended
- **121** municipalities were represented
- **87%** rated the training excellent or good

Renewable Energy Standard

1. Total renewable energy (55% to 75%)
   - Capture low-value RECs not claimed elsewhere in New England
   - High renewable % for use in electrification
2. Distributed generation (1% to 10%, carve-out of Tier 1)
   - Drive new "Vermont-scale" distributed generation on our grid
   - Depending on generation mix, corresponds to about 25-30 MW of new generation smaller than 5 MW per year
   - Expect Standard Offer to make up 7.5-10 MW of this until 2023
   - The rest will be some mix of net metering and utility-owned or PPA projects
3. Energy transformation (2% to 12%, not a carve-out)
   - Measured on fossil-fuel-reduction basis
   - Address challenges in building heat and transportation through weatherization and electrification (heat pumps, EVs)
     - Or additional DG
   - Encourage utilities to expand business models, build partnerships

2017 Tier 3 Plans

- Green Mountain Power
  - Focused on leasing programs for heat pumps, heat pump water heaters, and Tesla batteries.
  - Custom projects in the commercial and industrial space
- Vermont Electric Coop
  - Line extensions to supply sugaring, sawmills, etc. with cleaner grid electricity
  - Heat pumps
  - Smaller efforts on weatherization, electric vehicles
- Burlington Electric
  - Electric buses w/ GMT
  - Electric vehicles
  - Heat pumps
  - Exploring PassiveHouse (super-efficient buidlings)