## Renewable Energy Vermont Testimony to Senate Natural Resources and Energy Committee

## April 16, 2015

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**Renewable Energy Vermont (REV) supports House Bill 40 for the following reasons:**

-Tier I addresses a market risk for energy costs in Vermont

-Tier II addresses the need for a new requirement for new renewable energy in Vermont

-Tier III is a real opportunity to address energy issues in the realms of heating/cooling and transportation. Because this is a somewhat new policy structure, many checks and balances have been inserted into the language.

**Renewable Energy Vermont requests the following amendments:**

**Issue 1:** REV wants to ensure that RECs sold or transferred to a utility from a net-metering system for Tier II compliance are given fair and appropriate value. This fair valuation is vital to maintaining net metering as a program open to all Vermonters. Two suggested modifications are:

**p.16: (II)(ii):** Add the bold underlined language:
"a net metering system approved under the former section 219a or under section 8010 of this title if the system is new renewable energy and the interconnecting retail electricity provider owns and retires the system's environmental attributes **and those attributes are valued at the market rate established for all retail electricity providers."**

**p. 43:** Suggested modification is to add the bold underlined language:
-"if the customer retains the attributes, reduces the value of the credit provided under this section for electricity generated by the customer's net metering system by an appropriate amount **and provide the customer an appropriate value for such attributes"**

**Issue 2:** REV seeks greater clarity in language on p. 25 (2)(A)
-Utilities at 100% renewable must "accept" net metering projects but otherwise are not required to meet Tier 2.
-Suggested modification is to clarify language from "accept" to **"permit and interconnect"**

**Issue 3:** To direct projects where some may prefer to see them, Committee could incentivize development towards these locations:

p. 43:- add language: "When assigning an amount of credit, the Board shall consider the increased costs of placing systems on rooftops, brownfields, landfills and car parks due to roof structure and land considerations and provide an additional credit for these systems."

Could add a tranche of MWs to standard offer as a pilot for projects on commercial building roofs, brownfields, landfills, car parks, with a reasonable Standard Offer pricing OR an appropriate additional credit if continuing to use the current reverse auction mechanism.

**Issue Four:** Co-location of net-metering projects

Net metering systems are limited to facilities with no more than 500 kW capacity. Current law limits the ability to group more than one 500 kW facility if they are located in "close proximity" and use the same infrastructure. *See* 30 V.S.A. § 219a(a)(4). This provision limits the ability of to maximize the efficient use of specific locations for renewable energy development such as abandoned industrial land, industrial parks, etc. The below proposed language would allow specific projects, with town approval, to co-locate 500 kW projects at one larger site, provided the developer achieves economies of scale that result in lower costs – essentially, to create a "solar park" up to five megawatts of co-located 500 kW net metering projects, with an expectation that the project also achieves economies of scale that result in lower costs.

**Proposed Language:**

30 V.S.A. § 8010(c)(2)(H) is added to read:

(H) the amount of the credit reduction, made possible by economies of scale, for projects that are co-located in a town- or municipally-designated solar park as provided in subsection 8002(16)(A) of this title.

30 V.S.A. § 8002(16) is added to read:

(16) "Net metering system" means a plant for generation of electricity that:

(A) is of no more than 500 kW capacity, **except for town or municipally-designated solar parks where up to ten 500 kW net metering projects may be co-located**;

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

(C) is intended primarily to offset the customer's own electricity requirements; and

(D)(i) employs a renewable energy source; or