

Testimony on H.40 - Establishing a renewable energy standard and energy transformation program
Before the Senate Committee on Natural Resources and Energy
Affect of H.40 on the net metering program
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I am Thomas Weiss, a net metering customer of Green Mountain Power in Montpelier. Thank you for allowing me time to testify.

I believe that the parts of this bill that change the net metering program will adversely affect the spread of individual net metering systems and will not help the state meet its greenhouse gas reduction goals.. I am limiting my testimony to aspects of the bill dealing with net metering. Please remember that there is no net metering program without net metering customers; that is, people who are willing to spend their own money on net metering.

I installed a net metering system on my roof in order to have renewable, carbon-free, nuclear-free electricity. I can truthfully make that claim because I own the environmental attributes of all the electricity that my solar cells generate and I generate a bit more than I use. That claim is important to me as I pursue my personal path to achieving my share of the statewide goal to reduce greenhouse gas emissions. I achieved the 2028 goal (50%) in 2012. The state as a whole on the other hand, has made no progress at all toward the goal. The 2011 emissions were 100% of the 1990 emissions, based on a report from the Department of Environmental Conservation. The claim will be important to future net metering customers and H.40 will make it more difficult for them to make that claim.

Problems of the bill

1. H.40 makes it more difficult for future net metering customers to claim that their electricity is renewable, carbon-free, and nuclear-free. That is because it requires transfer of environmental attributes to the utility as the default, instead of the present default to the customer. When the utility retires the environmental attributes, the net metering customers have invested their money for nothing. The net metering customers will have the same mix of non-renewable, fossil-fueled, nuclear-generated electricity as every other customer of their utility.
2. H.40 reduces the financial incentive for net metering customers who retain the environmental attributes of the electricity that they generate.
3. H.40 hinders the state in meeting its goals for renewable energy and for reductions in greenhouse gas emissions. This is because the bill has no mechanism to count electricity generated by net metering customers who retire their environmental attributes on their own toward the goals. Another hindrance is that it encourages the continued sales of renewable energy credits out of state.
4. H.40 directs the Public Service Board to develop a system to allow environmental attributes of electricity generated by all net metering customers to be sold out of state.
5. H.40 interferes with the on-going workshops and procedures for developing a post-2016 net metering rule. That is now underway at the Public Service Board as required by last year's Act 99.

These problems will not affect me directly. They will prevent future net metering customers from receiving the benefits that I receive. The proposed solution should protect both customers and utilities.

Overview of Proposed Solution

The State should have no interest in who owns and retires the environmental attributes of electricity generated by net metering systems, as long as those attributes are retired in Vermont.

I propose that utilities be allowed to reduce their renewable energy targets by the amount of electricity generated by net metering customers who retain and retire their environmental attributes. Because of the solar adder, the utilities know how much electricity is generated by each net metering customer.

I think that all electricity generated by net metering customers should be retired in Vermont. If the committee is not prepared to go that far, then the committee can still make the proposed changes that will benefit the net metering customers who do retire their environmental attributes.

Benefits of this proposal are the correction of all the problems listed above. Other benefits are:

- the net metering customer gets the full benefit of his investment in net metering
- the utility benefits by having a reduced goal
- the state benefits because electricity generated and retired by the net metering customer will count toward the state's goals.

Details of Proposed Solution

Accepting my proposal will result in changes in the following locations:

- Pages 14 and 15, Sec. 3 of the bill, §8005 (a) (1) (B) - to allow reducing the target for renewable electricity by the amount of retired net metering electricity
- Page 16, Sec. 3 of the bill, §8005 (a) (2) (B) (ii) - to allow electricity from a net metering system to be counted as distributed renewable generation if the environmental attributes are retired by the net metering customer, too.
- Pages 16 and 17, Sec. 3 of the bill, §8005 (a) (2) (C) - to allow reducing the target for distributed generation by the applicable amount of retired net metering electricity
- Page 18, Sec. 3 of the bill, §8005 (a) (3) (B) - to allow reducing the target for energy transformation by the amount of retired net metering electricity
- Pages 39 and 40, Sec. 7 of the bill, §8006 (a) - to remove the requirement that the Public Service Board include electricity from net metering customers in the system of tradeable renewable energy credits. The present language is broad enough that the system must include electricity from individual net metering systems.
- Page 43, Sec. 12 of the bill, §8010 (c) - to remove the requirement for a differential price for electricity generated by net metering customers who retire their environmental attributes. Because the utility will reduce its target by the amount of net metering generation, there will be no need for the utility to incur an extra expense to get environmental attributes elsewhere when the attributes are retired by the owner.

In summary, I ask that you amend the bill to improve incentives for the net metering program from what the bill has.

Thank you for allowing me to testify.

Thomas Weiss