

Vermont Legislative Joint Fiscal Office

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Preliminary FISCAL NOTE

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H.676 An act relating to miscellaneous energy subjects – House Energy And Technology Recommendation Of Amendment – Draft 8.1

<https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Energy%20and%20Technology/Bills/H.676/Drafts%20and%20Amendments/H.676~Aaron%20Adler~as%20recommended~3-2-2018.pdf>

Bill Summary

The bill would alter fees for electric generation facility review under 30 VSA §248b. These fees are collected by the Agency of Natural Resources (ANR) for its work related to 30 VSA §248 reviews performed by the Public Utility Commission (PUC). Specifically, the bill would exempt roof-mounted photovoltaic systems with capacities of less than or equal to 500 kW from fees. Additionally, the bill would establish a fee of \$2.00 per kW for electric generation facilities from 51 kW to 139 kW. The bill would go into effect on July 1, 2018.

Fiscal Summary

Roof-Mounted Systems <=500kW

Under a recently established rule within the PUC (Rule 5.100), a proposed roof-mounted photovoltaic system with a capacity of 500 kW or less no longer are subject to an “application” process but instead go through a “registration” process. For registrations, there is no longer a formal review period, and instead there is a 30-day comment period. Because there is no longer a formal review process within the PUC for these proposed systems, and no proceeding, ANR is no longer involved in the process aside from receiving a copy of the net metering registration form for record and no longer would need the fee revenue. The loss of ANR fee revenue would be approximately \$15,000 per year based on data from FY2017 but would not adversely impact ANR operations.

Facilities between 51 kW and 139 kW

Under the same rule, facilities between 51 kW and 139 kW are subject to formal review and proceeding through the PUC, to which ANR is a party and contributes to the review. The new fee of \$2.00 per kW is intended to cover ANR’s review costs. In a presentation to the Senate Finance Committee on February 15, 2018, a representative from Green Mountain Power showed that net metering installations between 15 kW and 150 kW it accepted in 2016 and 2017

cumulatively amounted to 6,953 kW and 6,076 kW respectively.¹ Green Mountain Power currently serves approximately 43% of Vermont's population.² Using these metrics, and adjusting out the installations included in the Green Mountain Power presentation that would not be subject to the new fee (under 50 kW or over 139 kW) the potential new revenue from the \$2.00 per kW fee could be in the range of \$18,000-\$20,000 per year. This revenue would go into a special fund within ANR.

DRAFT

¹<https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/Senate%20Finance/Net%20Metering/W~Robert%20Dostis~Presentation~2-15-2018.pdf>

² <https://greenmountainpower.com/map/service-area/>