



Darren Springer, Chief Operating Officer
Testimony on H. 396
House Committee on Energy & Technology

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Net Metering REC Treatment Pre-Act 99

- No statewide Renewable Energy Standard (RES) requirement
- Net Metering silent on renewable energy certificates (REC) treatment
- Utility or customer/developer allowed to sell RECs from net metering projects

Act 99 Changes

- Board required application to declare if customer retains ownership of RECs or transfer to utility
- (h)(1)(I) – If utility receives RECs, they must be retired to comply with future state RES
- First time REC retirement required in state law

Act 56 Changes

- Tier II Requirement for 5 megawatt and under distributed generation RECs equivalent to 1% of sales in 2017 rising to 10% in 2032
- Net metering counts toward Tier II
- Cancels SPEED program, addresses Connecticut double-counting concern
- Net metering RECs go to utility to meet Tier I and Tier II, but customer retains choice to keep them
- Sec 12, 30 VSA 8010(c)(1)(H) – if customer keeps RECs, reduces value of credit provided by appropriate amount

PSB Net Metering Report

- PSB report cites 172 megawatts approved as of January 2017, equivalent to 16.7% of peak - http://psb.vermont.gov/sites/psbnew/files/doc_library/FINAL%20Report%20to%20Legislature%20Pursuant%20to%20Act%2099%201-20-17.pdf
- Raised concerns that customers/developers retaining RECs under old program led to some REC sales out-of-state, limiting environmental benefit of that program structure

PSB Net Metering Report

“The REC adjustors will encourage net-metering customers to transfer the RECs generated by their systems to their electric company, which will enable these RECs to be counted towards Vermont’s renewable energy standards. This will support the state’s goal to ‘reduce emissions of greenhouse gases from within the geographical boundaries of the state and those emissions outside the boundaries of the state that are caused by the use of energy in Vermont.’”

PSB Net Metering Program

- If customer provides RECs to utility to meet RES, 3 cent per kilowatt hour increase in net metering for 10 years
- If customer keeps RECs, 3 cent per kilowatt hour decrease in net metering credit
- 6 cent total REC valuation consistent with Tier II alternative compliance payment
- Customer elects one-time, utility can plan for REC requirements based on that
- No double-counting, either customer or utility owns REC

Concerns with H. 396

- Annual affidavit process instead of one-time customer election for RECs
- Adds administrative and planning complexity for REC requirements in RES
- Creates a different system for REC accounting than other New England states, raises new double-counting concerns that could unnecessarily create ratepayer risk

Alternative Approaches

- Alternative approaches for customers who want REC ownership for legal claim –
 - Retain RECs at lower net metering credit
 - Green Purchase Programs
 - Customer recognition for assisting utility in meeting statewide RES goals

Thank You!

- Questions?
- Darren Springer -
dspringer@burlingtonelectric.com