

Senate Natural Resources Committee
March 2017

Testimony on Miscellaneous Net Metering Bill, Net Metering Provisions
Sarah Wolfe, Clean Energy Advocate, VPIRG

Position: We have significant issues with the rule as it stands, in terms of the ability for all Vermonters to have access to net metering opportunities. However, we support the rule moving forward with LCAR's objection. We do not think it is necessary for this committee to take action at this time. The Board has made it clear that if LCAR chooses to sustain its objection, and the legislature does not act, the rule will be adopted per the revised draft.

If this Committee chooses to take action on net metering at this time, VPIRG would ask the Committee to carefully consider the additional remaining issues for Vermonters who want access to the net metering program.

- **Category changes that reduce options for non-homeowners or homeowners who cannot install solar themselves.**
 - Reduced rates for Categories III and IV (systems larger than 150 kW on “preferred locations” receive a -\$0.01 adjustor, systems between 15kw-150kw on other sites receive a -\$0.03 adjustor) no matter whether these systems serve residential customers who may not have an option to go solar otherwise. These decreased rates additionally fail to recognize the potential increased cost of developing solar on preferred locations like landfills and parking lots, which tend to be more expensive than projects on greenfields.
 - Elimination of Category V (any system above 150kW on non-prime land).
- **No low income siting adjustor, and elimination of the primary potential market for low income Vermonters.** There is no additional incentive that would allow low-income Vermonters to participate in renewable energy projects. In addition, since there is a high correlation of renters and low and moderate income Vermonters (70% of renters have incomes below \$50k), community solar is the best option for these Vermonters to go solar. As discussed, community solar is likely no longer viable under these rules.
- **Lack of simplified review process for group net metering systems when the system is at least 50% owned by the oftakers.** Senator Pearson last year advocated for a provision to be included in Act 174, which asked for a simplified application and review process for group net metering systems that were at least 50% owned by the oftakers. The Board chose not to act on this provision.
- **Per customer limit of 500kW.** Individual customers are limited to 500kW net metered capacity, no matter how many accounts or meters they have or how large their demand is. As you heard from Commissioner Cole from the Department of Buildings and General Services, this is a problem for municipalities and other public entities in particular. Montpelier, for instance, would need 2 MW of solar to meet its electric needs with renewable energy.
- **Ambiguity around preferred location definitions.** The rule retains significant ambiguity around two definitions of preferred locations. Since systems >150kW can only be built on preferred locations, and systems 15-150kW receive \$0.04 more for being sited on preferred locations, it is imperative that these definitions are clear so that solar can in fact go on those locations.

- **Parking Lot Canopies.** The definition specifies that the parking lot must be “paved.” However, under the third preferred location, systems can be sited on a previously developed site with an impervious surface. Under this definition, a system could be sited on a gravel lot, but as soon as cars parked on that lot it would no longer be allowed.
 - **Gravel Pits.** The definition limits projects from maximizing use of this already disturbed land, forcing projects to smaller sizes despite potential.
- **REC Adjustor has a severe penalty for individual retention and retirement.** If individual net metering customers choose to retain the RECs from their system in order to retire them in Vermont, they are still penalized -\$0.03. This penalizes Vermonters who are helping meet Vermont’s greenhouse gas and renewable energy goals by keeping the RECs within Vermont’s borders rather than selling them out of state. Our position was that the rule should have a positive adjustor for customers giving their RECs to their utility, no adjustor for customers retaining and retiring RECs, and a negative adjustor for customers selling the RECs from their system.
- **Excess net metering credits expire after 12-months.** This may not allow net metering systems to adequately account for seasonal shifts in weather or home use, or optimized use of energy efficient devices including heat pumps and electric vehicles. An 18-month period would be more appropriate.
- **No requirement for data tracking to measure the effectiveness of things like the siting adjustor.** The Board should require reporting to list not just the “number, individual capacity, cumulative capacity, and disconnections” of installed net metering systems, but also the generation technology of such systems (mirroring 30 V.S.A. § 219a(p)), and for installations claiming a siting adjustor, the type of site under which they qualify for Categories II or III. Only with that information will the Board and policymakers be able to determine the effectiveness of the siting adjustor in getting renewables built on various types of sites. Put another way, without better reporting, we’re simply not going to know if the rule is working as intended.