

Senate Finance Committee
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Testimony on Decline in Solar Projects & Net Metering Changes
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VPIRG has advocated for a strong net metering program since its inception. Net metering in Vermont and around the country has been instrumental in furthering the adoption of solar and building a strong clean energy economy that supports local, good paying jobs.

VPIRG was closely involved in the net metering proceeding that resulted from Act 99 in 2014 and the subsequent rulemaking. During that process, we raised a number of concerns with the net metering rule as it was being finalized. We were concerned that the rules as approved would dramatically slow adoption of small and medium size renewable energy systems, and in particular reduce the opportunities for many Vermonters to adopt renewable energy. We have seen these concerns become a reality over the last year as the number of permitted net metered size systems has significantly declined, in particular community sized systems (15-150 kW and over 150kW) and solar jobs in Vermont have also declined. There are a number of factors contributing to this decline:

- Significant decrease in compensation for systems between 15-150kW that are not on preferred locations. This is the size category for the majority community solar systems, which provide an opportunity for residential customers who may not have an option to go solar on their own property to participate in the clean energy transition. Given that solar projects on preferred locations like landfills and parking lots tend to be more expensive to build, these decreased rates have made such projects much more difficult. One possible solution that could be considered would be to offer variable prices for different preferred locations, based on the cost of building on those locations.
- Community solar provided a critical path for low and moderate income Vermonters to have access to solar, given the strong correlation between renters and low/moderate income households. VPIRG advocated for a low/moderate income solar adder, or the ability to define a preferred site as one that serves a significant percentage of low/moderate income Vermonters. Without such an adder and without community solar, these households have limited options to participate in the clean energy transition.
- Individual customers are limited to 500kW net metered capacity, no matter how many accounts or meters they have or how large their demand is. We have heard from a number of cities, towns, and schools across Vermont who have shared that they were interested in moving forward with additional projects, but are prevented from doing so due to this cap. For instance, Montpelier would need two megawatts of solar to meet its electric needs with renewable energy.
- Significant increase in permitting costs and administrative burden for small-medium size systems, both for 15-50 kW systems and systems up to 150 kW, without any provision to simplify the review process for group net metered systems when the system is at least 50% owned by the offtakers (community solar systems). This was a provision that was included in Act 174, but was not ultimately included in the net metering rules.

In addition to these changes to the net metering program, President Trump recently decided to levy a 30% tariff on imported solar equipment. This has led to significant uncertainty in the clean energy economy and the closure of at least one solar business.

In light of this uncertainty, VPIRG remains concerned about decreased access to clean energy options for low and moderate income Vermonters, as well as towns, municipalities, schools and hospitals that want to support local renewable energy growth. As the biennial review of net metering at the PUC begins (it is set to be resolved by July 1, 2018), we are concerned that further changes to this program could have a substantial economic impact in terms of local renewable energy companies, and make it significantly harder for us to meet our renewable energy goals.