

SENATE COMMITTEE ON NATURAL RESOURCES AND ENERGY
NET METERING
Office of Legislative Council Feb. 10, 2017

The Net Metering Program – 30 V.S.A. § 8010

Summary: The General Assembly authorized net metering systems to incent small distributed renewable generation. In Vermont, net metering permits a customer or group of customers to own and operate a generator of 500 kW or less, often on the customer side of the meter. Group net metering also has been employed for systems directly connected to the utility's grid or owned by a developer or both. Electricity generated by the system offsets generation for which the customer or customers is billed and the customer or customers receive credit for excess generation. If unused within a specified period, the credit reverts to the utility.

Implementation: Under legislation that became effective 1/1/17, implementation is by PSB rule.

- The rule must meet statutory policy objectives that include advancing statutory goals for renewable energy and greenhouse gas reduction, ensure to the extent feasible that net metering does not shift costs between net metering customers and other customers, ensuring that all customers who want to net meter have an opportunity to do so, and balancing the pace of deployment with the impact on rates.
- The rule also must address other issues, including duties of utilities and net metering customers, interconnection requirements for net metering systems, the amount of the bill credit for excess generation, and REC ownership and transfer.

Bill credit rate: Under the PSB's final proposed rule submitted on Jan. 20, 2017, the bill credit rate would vary.

- The base credit rate would be the “blended residential rate,” to be the lowest of the following:
 - Company's general residential service rate,
 - Blend of company's residential block rates, or
 - Statewide average rate (currently \$0.149/kWh according to PSB)
- Apply siting adjustor
 - < 15 kW, plus \$0.01/kWh
 - 15 – 150 kW, if on preferred site, plus \$0.01/kWh
 - 15 – 150 kW, in not on preferred site, minus \$0.01/kWh
 - 150 – 500 kW, minus \$0.03/kWh, only allowed on preferred sites
 - Hydroelectric facilities, no site adjustment
- Apply REC adjustor
 - Transfer REC to utility, plus \$0.03/kWh
 - Retain REC, minus \$0.03/kWh

Table: 2014 Acts and Resolves No. 99 – Process for Program Development and Actions Taken
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Due Date	Act 99 Sec. & V.S.A Section	Required Action and Agency	Status
10/1/14	Sec. 5 (session law)	Dept. of Public Service; report to Public Service Board (PSB) on net metering, including the current and recommended future pace of net metering deployment, the existence and degree of any cross-subsidy, the effect on utility infrastructure and revenue, the economic and environmental benefits of net metering.	Filed with PSB 10/1/14, revised 11/7/14 – Link to DPS report
Starting 10/14	Sec. 5 (session law)	Public Service Board; conduct one or more workshops to solicit input of potentially affected parties and the public on the design of a revised net metering program.	Conducted multiple workshops beginning in 11/14. <u>In re Revised net-metering rule pursuant to Act 99 of 2014</u> at 1 (Vt. PSB June 30, 2016).
During 2014-15	Sec. 5 (session law)	Public Service Board; file proposed rules and complete public hearing and comment process under the Administrative Procedure Act	Proposed rules filed with Secretary of State (SOS) on 3/25/16, with hearings on 5/4 and 5/5/16. The public comment period closed 5/12/16. Source: Proposed Rule 16-P10 as filed with the SOS
1/1/16	Sec. 5 (session law)	Public Service Board; submit to standing committees the text of the final proposed rules that the Board intends to file with the Legislative Committee on Administrative Rules (LCAR) and the Secretary of State (SOS), along with a <u>report</u> : <ul style="list-style-type: none"> • summarizing the public comment received • evaluating the effectiveness of the existing program • describing the options it considered. 	Not performed in accordance with Sec. 5. See immediately below.

Due Date	Act 99 Sec. & V.S.A Section	Required Action and Agency	Status
7/1/16	Sec. 5 (session law)	Public Service Board; finally adopt net metering rules for effect on 1/1/17; if PSB is “unable” to finally adopt rules by that date, may issue order establishing a revised net metering program, if followed by final rule adoption within a reasonable period.	<p>PSB has not finally adopted new net metering rules.</p> <p>PSB chose to issue order on 6/30/16 and then commence a further rulemaking process. <u>In re Revised net-metering rule pursuant to Act 99 of 2014 at 2</u> (Vt. PSB June 30, 2016).</p> <p>PSB issued a reconsidered order on 8/29/16. <u>In re Revised net-metering rule pursuant to Act 99 of 2014</u> (Vt. PSB Aug. 29, 2016).</p> <p>PSB filed a further proposed rule with the SOS on or about 10/15/16, with a public hearing on 11/18/16. Public comment period closed on 12/2/16. Source: Proposed Rule 16-P62 as filed.</p> <p>On 1/20/17, PSB submitted final proposed rule to LCAR and SOS. The filing included a report intended to respond to the requirement for a report by 1/1/16.</p> <p>LCAR hearing occurred 2/9/17; action postponed to 2/16/17</p>