



## Overview of PSB's Final Proposed Net Metering Rule 5.100

An estimated 80% of net metered renewable energy permitted in Vermont to date are no longer allowed under the proposed final rule due to new siting requirements and project size limits. The Public Service Board's siting and REC adjustors reduce net metering rates by 17 to 48% depending on the project size and location. The new statewide blended credit rate further lowers rates in many muni and co-op territories (below their retail rate). Net metering customers must pay non-bypassable charges to their utility – both new and pre-existing customers will be contributing and no longer able to “zero out” their electric bills. The rule drives new projects to “preferred locations” and increases town and citizen involvement. Customers' ability to transfer their net metering credits or form groups is limited and complicated. Customers are limited to no more than 500 kW of net metered renewable energy – regardless of their number of buildings or project locations, so many customers (City of Montpelier, State of Vermont, Green Mountain College, Twin Craft, University of Vermont, etc.) are now capped out. ISO-NE has lowered their new solar development forecast for Vermont.

### Net Metering Rule Technical & Unaddressed Concerns

- **Ensuring project definitions of “preferred locations” work in Vermont, are clear, implementable, and consistent.**
  - **Gravel pits** – The definition is unclear and poses implementation questions. The rule limits the use of these developed/disturbed and permitted sites when they should be maximized. Requiring full reclamation before a CPG application can be submitted also unnecessarily limits the site, wastes resources, and increases costs due to the nature of construction and reclamation. Language fix suggestion (pg. 9, (6)):
    - *A lawful gravel pit, quarry, or similar mineral resource extraction site which has been disturbed, provided that installation of the project will not interfere with site reclamation required by applicable law or permit condition.*
  - **Parking lot canopies** – The rule limits them to only paved surfaces in the definition, but allows solar on other impervious surfaces in preferred locations definitions, so the rule is unclear and inconsistent. Outside of major towns, small parking lots and driveways are gravel or dirt impervious surfaces in Vermont. ANR developed & REV supports the following change to clearly allow and drive solar projects to developed sites (pg. 9, (2)):
    - *A parking lot canopy over a paved, gravel or other impervious surface parking lot, provided that the location remains in use as a parking lot.*
  - Parking lot canopies over existing developed sites were left out of simplified permitting processes. Projects on “preferred locations” (which have already gone through environmental and permitting review before a solar project is proposed) should be encouraged by reducing their permitting burdens, not increasing them as the rule does. Recommended changes:
    - 5.105 Registration of Hydroelectric Facilities, Ground-Mounted Photovoltaic Facilities of up to 15 kW in Capacity, and Parking Canopy or Roof-Mounted Photovoltaic Net-Metering Systems of Any Capacity Up to 500 kW
      - (A) Applicability. The registration procedure is applicable only to hydroelectric facilities, ground-mounted photovoltaic systems of up to 15 kW and photovoltaic net-metering systems that are mounted on a roof or parking canopy.



- 5.106 Applications for Ground-Mounted Photovoltaic Net-Metering Systems Greater Than 15 kW and Up to and Including 50 kW and for Facilities Using Other Technologies Up to and Including 50 kW
  - (A) Applicability. This application procedure is applicable to ground-mounted photovoltaic net-metering systems that are greater than 15 kW and up to 50 kW in capacity. This application procedure is also applicable to net-metering systems of 50 kW or less that use other eligible technologies. This application procedure does not apply to hydroelectric facilities, ~~or~~ roof-mounted or parking canopy photovoltaic net-metering systems.
- 5.107 Applications for Net-Metering Systems Greater Than 50 kW That Are Not Roof- Mounted Photovoltaic Systems or Hydroelectric Facilities
  - (A) Applicability. This application procedure is applicable to net-metering systems greater than 50 kW that are not photovoltaic systems mounted on a roof, parking canopy or hydroelectric facilities.

- **Keep Community Solar Viable in Vermont**

- **Simplify the CPG process for community net-metering systems that are more than 50% customer-owned, per Act 174**
    - As written, the proposed final rule makes applications of small projects (approx.. 1 acre or less) from 15 kW to 150 kW significantly more complex. Nearly all of Vermont's existing community solar projects (particularly those 50% or greater customer owned) fall into this category. The current process involves a form covering section 248 criteria that could be completed in less than a day relying upon readily available maps and information available online from State agencies such as ANR. The proposed final rule will require comprehensive section 248 applications that necessitate weeks to complete, hiring legal counsel, environmental permitting experts, and securing certified letters from multiple state agencies (even when permits are not required and no resources are impacted or even near the project) at a cost of \$20,000 and more prior to CPG application, creating an unwarranted time and economic burden on small projects, threatening their feasibility; and unnecessarily increasing state agency workloads.
  - Application provisions of the proposed final rule are contrary to the intent of the legislature.
- **The rule removes Vermonter's access to net metering** particularly low, moderate, and fixed income neighbors by: prohibiting credit transfers; increasing permitting burdens for small community solar projects; reduced rates; and penalties for REC retention. Community solar (150 kW and less) is unlikely to be economically viable in Vermont.

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