Verbal testimony of Thomas Weiss, February 9, 2017
PSB rule 5.100 on Net Metering before LCAR

I am Thomas Weiss of Montpelier, the owner of an individual net metering system. I have been actively participating in the development of this rule since the bill creating the program was being developed.

Thank you for giving me the opportunity to testify. I ask you to object to this rule on three grounds:
- exceeding the authority delegated to the Board; failure to comply with legislative intent, and not being supported by the economic impact statement.

Back in 2014 the legislature directed the Public Service Board to develop a rule for a new net metering program. The legislature gave the Board directions for the new program. The directions relevant to my testimony are:
- amending the definition of net metering from the previous program and leaving intact the portion that defines net metering as using one meter (the billing meter) for a non-group system. (The rule will require two meters.)
- directing that the new net metering program ensures that all who want to participate in net metering have the opportunity to do so. (Requiring two meters will prevent some people from participating.)
- directing that the credit for net metering be based on the excess net generation, not on the total generation. (The rule bases the credit on total generation through use of the second meter (a production meter) and the application of the adjustors to total generation.)
- not directing the Board to incorporate the separate program of production credits into the new rule.

The Board actually combined two existing programs into the new rule, when they were only directed to develop the new rule for one of the programs. The two programs are net metering and production credits (often called the solar adder). By combining the two programs into the new rule, the rule fails to comply with all of the directives that I just mentioned. I have given details in my written letter of February 6, 2017.

I made these same claims to the Public Service Board during the public comment period in November and December 2016. The Board responded to these claims in the report submitted to five standing committees when it submitted this proposed final rule. I find their rebuttal unpersuasive.

The Board's first reason for requiring the production meter is that "production meters have been standard practice . . . since the introduction of incentive payments". The Board failed to acknowledge that production meters were a voluntary option for net metering, not a required component. My letter shows that statute in its definition of net metering, the Board in its rule 5.100, and my utility (Green Mountain Power) in its tariffs, all considered the production meter to be something other than net metering. The directions for the new rule neither envision nor direct continuing the program of production credits.

The Board's second reason for requiring production meters is that the adjustors applied to total production "are important policy tools that are necessary to incentivize the beneficial siting of net-metering systems and to ensure that the value of REC's is reflected in the compensation provided to net-metering customers." Please note that the Board did not state their authority for requiring the production meter. Also, the Board did not explore alternatives for incentives. The report I mentioned earlier is required to cover alternatives that the Board considered. The report mentions no incentive programs that do not require a production meter. One incentive for preferred sites could have been a much reduced application process for the preferred sites. Simplifying applications is another directive given to the Board. The rule simplifies applications mostly based on size and not for the preferred locations. In addition, by applying credits only to the net, as required by statute (and not to the total production) there will be little or no cost shift between net metering customers and other customers. Reducing cost shifting is another directive given to the Board for the new program. Finally the value of the REC's in the rule (6 ¢ per kWh) is too large, twice as large as the value in the economic impact statement (3 ¢ per kWh).

My testimony this morning has highlighted the important points of my letter. Please see that letter for more details. Thank you for giving me the opportunity to testify. I ask you to object to this proposed final rule.