

Memorandum

Vermont Public Service Department

To: House Energy and Technology Committee

From: Riley Allen, Deputy Commissioner

Subject: Follow-up from meeting to discuss Affordable Community Solar Clean Energy (ACCE)

Date: February 4, 2021

Thanks for allowing me to present on the Community Solar proposal.

Per your request, attached is summary of the concept as we envision the ACCE today. As discussed in Committee, the Department also plans to engage (1) utilities, (2) low and moderate income community members, and (3) renewable energy developers to help inform and modify as appropriate.

After meeting with the Committee, I did not like my answer to Rep. Yantachka's question about how consumers are incentivized to participate in the program. In response, I originally pointed out that that project cost is low relative to the retail rate. On reflection, I realized my mistake. What I responded with is a net metering concept. The Department's proposal is not net metering. The better response is that these projects, with the REC value that can be applied against the utility obligation, can create value sufficient to result in a customer credit, if the project is developed at scale, all value streams are recognized, and the projects are developed competitively, there can be a net credit on the consumer bill. This is so, even without an added inducement because the cost of the technology is low, after adjusting for the REC value, and still coming down. But the \$10 million provides even further inducement. I apologize for the mistake.