



**STOWE ELECTRIC DEPARTMENT**

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**To:** House Committee on Energy and Digital Infrastructure  
**From:** Town of Stowe Electric Department  
**RE:** H. 716 - An act relating to the net metering formula  
**Date:** February 17, 2026

Dear Chair James and Committee Members:

The Town of Stowe Electric Department (SED) encourages the Committee to take no action on H.716. We encourage the Committee to let the Vermont Public Utility Commission (PUC) complete its statutory obligation to evaluate “the incentives offered to new net-metering systems and whether they should be adjusted upward or downward.” *Case No 24-0248-INV PUC’s Order of 5/30/2024, p 1-2*. Every two years, the PUC evaluates whether net-metering has “an undue adverse impact on ratepayers.” *Id.* This evaluation includes determining whether incentives should be adjusted upward or downward based on the cost of installing new net-metering systems and the pace at which net-metering systems are installed in Vermont. *Id.* On February 11, 2026, the PUC opened Case No. 26-0291-INV – In re: biennial updates of the net-metering program. Allowing this docket to proceed without new mandates provides the PUC the opportunity to address the Committees’ concerns comprehensively and with stakeholder input. SED offers three additional reasons for the Committee to take no action on H.716.

First, the bill’s proposal to set siting adjusters to \$0.00 will not improve the economics of net-metering projects after the loss of the 30% federal tax incentive. As the Department of Public Service (DPS) pointed out in their testimony, net-metering projects are expensive and have a

long return on investment, even with favorable tax credits. The adjusters are only available when customers produce excess net-metering solar, which is paid to the customer from electric bills collected from customers not participating in net-metering. This creates an equity concern whereby those customers who cannot afford to install a net-metering system are compensating customers who can afford to install a net-metering system.

Second, Vermont utilities are required to provide least-cost service after addressing safety, reliability, and regulatory costs. DPS also pointed out that excess generation purchased from net-metering systems is the *most* expensive power the utilities will purchase. Power supply costs are also the single most expensive utility cost, and increasing power supply costs will have an upward pressure on electric rates. We agree with DPS that artificially increasing the adoption rate of net-metering projects will have no impact on the overall renewability of Vermont's power supply, because utilities must follow Vermont's Renewable Energy Standard. The PUC has a mandate in Case No. 26-0291-INV "to ensure that the pace of net-metering deployment is consistent with Vermont's policy objectives." *Case No 24-0248-INV Order of 5/30/2024, p 2.*

Finally, there is little evidence that a stand-alone net-metering solar project provides significant resiliency benefits to households. For a customer to operate independently from the utility during an outage, the customer must pay for upgrades that include a battery storage system or backup generator, and a critical load panel to power priority circuits from the battery or backup system. This further increases the cost of net-metering projects, which makes it even less likely that low- and moderate-income households can participate in net-metering.

The Vermont utilities share the Committee's concern about the affordability, resiliency, and carbon footprint of Vermont's electric grid. Public power utilities respond directly to the priorities of our customers, which is to provide safe, reliable, and least-cost power. We offer a

range of incentives, rebates, load control measures, and utility scale renewable energy projects to meet these priorities. H.716 appears to add to the complexity and regulatory costs associated with net-metering without providing a clear benefit to low- and moderate-income Vermont families.

Thank you for your consideration,

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