House Energy & Digital Infrastructure Committee Testimony February 12, 2026
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Thank you Madam Chair and members of the committee for hearing my testimony this afternoon. My name is Mike McCarthy and I am the President of SunCommon, a Vermont-based solar and energy storage installer for residential and commercial project in Vermont and New York's Hudson Valley, where I've worked since 2013. I am here today in support of H.716, which would end the tax on behind the meter consumption of the solar produced by Vermonters. The OBBBA last year had a huge impact on the value of solar for Vermont homeowners and the renewable energy professionals in our industry who serve them. H.716 would be a welcome support for the kind of behavior we want to encourage in Vermont, producing the energy we need on site and consuming more of that energy or storing it for when it's needed most.

Vermonters have been going solar for years, and increasingly pairing that solar with battery storage. At SunCommon we have more than 50 Vermont employees and hundreds of colleagues who work to install renewable energy systems at other solar firms across the state. Since 2012, we've helped thousands of Vermonters go solar on rooftops, carport canopies and backyard ground mounts that provide clean energy. I am a solar homeowner and I know some members of your committee are as well. The 30% federal tax credit that helped make our systems affordable for years was eliminated last year and now the value proposition of residential solar industry in Vermont is a much tougher sell.

Green jobs in solar, energy storage and other renewables are at stake because of the equipment restrictions and rapid tax credit phaseout in OBBA. Businesses like SunCommon reduced our project forecasts for 2026, paused hiring and have gotten very creative about how to engineer energy projects. Our state needs more solar to offset the shift to electric vehicles, heating and cooling, and other electrification that is essential to hitting our statutory energy goals. Pairing solar with battery storage is good for homeowners and good for the grid.

As I shared wth this committee in October, the value of solar in VT has been on the decline since 2017, especially for residential projects. The value of the solar investment tax credit combined with the value per unit of power Vermonters get as a credit when they produce solar at their home used to . As you can see the value for the vast majority of Vermonters has gone down with each rate review, currently on a biennial schedule which will be reviewed again in 2026. **Regardless of whether you move forward with H.716, we strongly urge you to prevent any further decrease in the value of net-metered solar in 2026's biennial rate review.**

A typical 10kW array that costs $34,000 to install and gets a $10,200 tax credit today. This system would produce over $1,600 per year in power credits today with the statewide blended rate around 19 cents/kWh and with the 4 cent "negative adder" a net value of about 15

cents/kWh it has a roughly 14 year “payback”. After the removal of the 30% federal tax credit systems like this become a pretty tough sell at a 20 year payback.

Given this context, I’m excited about the possibility of H.716, which would end the tax on energy that Vermonters produce and use on site. It’s long been a frustration for Vermonters that even if they use the kWh they generate they get a 4 cent per kWh reduction in the value of their power. Ending the negative adder assessment would have several benefits:

1) Making solar more valuable to Vermonters, especially as they electrify their energy use
2) Incentive customers to store or use their power, rather than export it at sometimes less convenient times for the grid
3) Remove the administrative burden and expense of having a separate solar production meter. This is an out-dated practive most states have abandoned.
4) As a matter of fairness we don’t assess a fee when people reduce their net power consumption by using less power.

To put a finer point on the impact of the negative adder, the current value of solar export in most of Vermont is between 14 and 15 cents. For GMP customers the cost per kWh from the grid is over 21 cents, so the negative adder results in a net 6 cent loss per kWh. This doesn’t sound like much but a small solar project that used half of its kWh on site would save $15-20 more per month.

In the wake of HR.1 we would recommend that the legislature and state regulators put a pause on any consideration of reducing the effective value per kWh of net-metered solar. Please don’t kick us while we’re down with the next biennial rate review. With the elimination of the federal tax credit any further loss of value would be another blow to the residential solar industry that employs hundreds of Vermonters and helps thousands of homeowners save money and produce their own clean energy. Additionally, we would urge you to take up and pass H.716 to continue supporting the deployment of renewables in Vermont by reducing or eliminating the negative adders that currently act as a disincentive to go solar in our state. Thanks so much for your time, and I’m happy to answer questions.