A Vermont Response to Trump's Attack on Residential Solar

Testimony of Peter Sterling,
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House Energy & Digital Infrastructure Committee
February 11th, 2026

The Trump Administration and Congress End Federal Support for Purchasing Residential Solar (Net Metering)

- The federal reconciliation bill terminated the 30% tax credit for residential solar purchases, previously scheduled to run through 2032
- The credit now expires on December 31st, 2025, making home solar unaffordable for many Vermonters.
- Simultaneously, the EPA has withdrawn $62 million in Solar for All funding designated to help low-income Vermonters go solar.
- **Vermont needs to respond to ensure Vermonters can go solar at home.**

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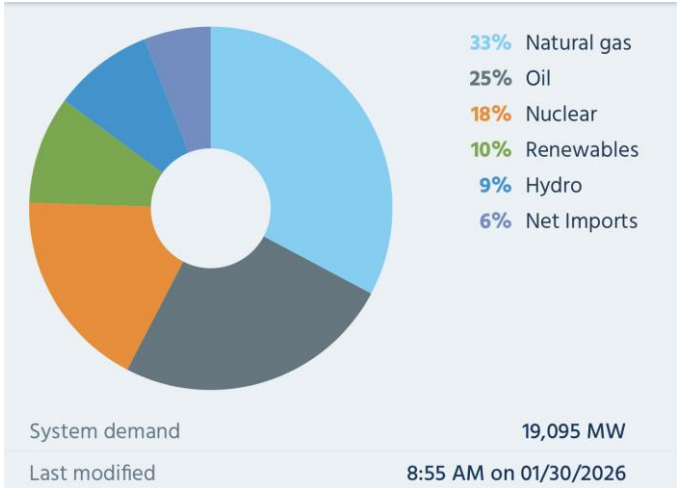
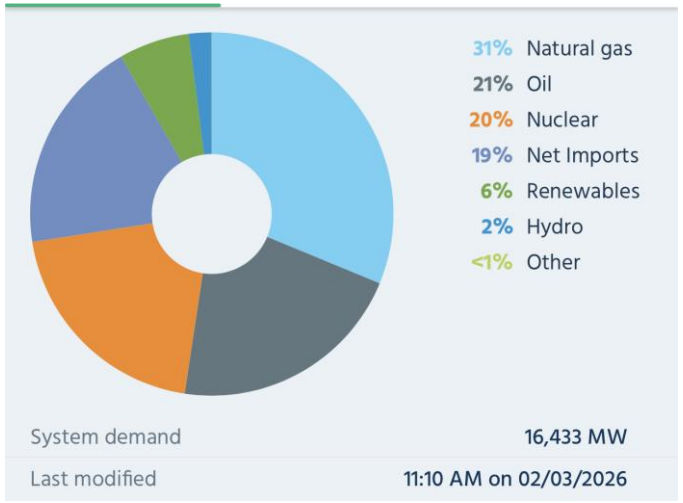
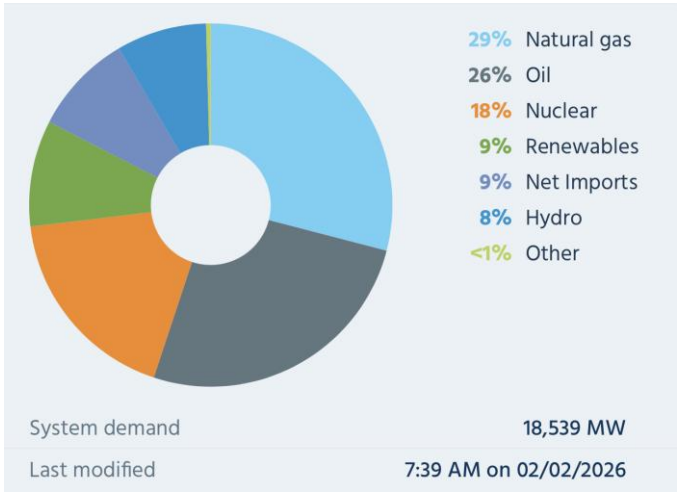
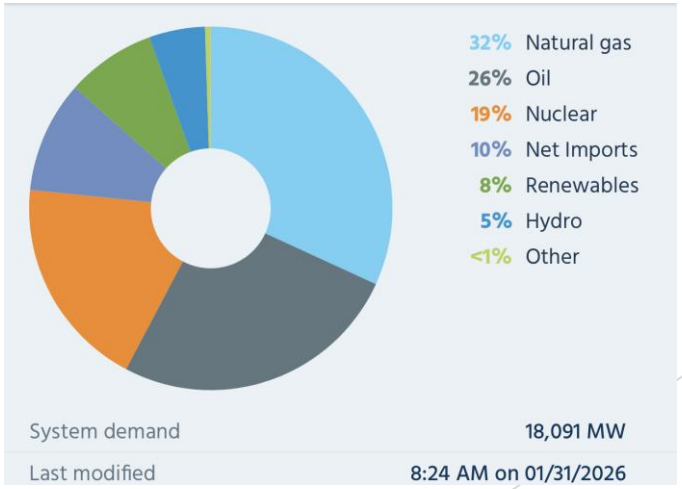
Recent Cold Snap: ISO Mix is 52%-58% Oil and Gas









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How Net Metering Rates are Set

The Legislature gave the authority to the PUC to set the compensation rate for net metering beginning in 2017. By statute, this Biennial Rate Update is done every two years.

The next Biennial Rate Update begins in March and the PUC will announce the new rates sometime in May/June with the new rates going in effect summer 2026 through summer 2028.

Net metering rates are set by recalculating the statewide Blended Rate and deducting any negative rate adjustors enacted by the PUC

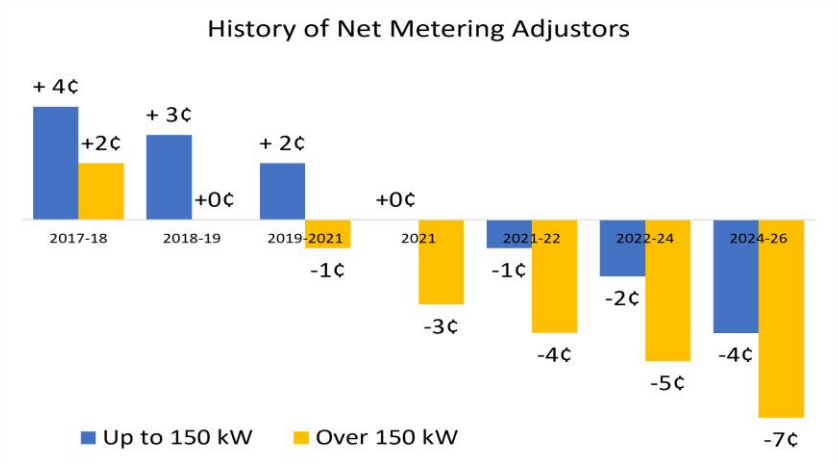
The Blended Rate is calculated by the PSD following the methodology specified in Rule 5.100

The PUC uses two adjustors to decrease compensation for net metering based on size/siting and whether a customer keeps or sells their RECs to their utility.

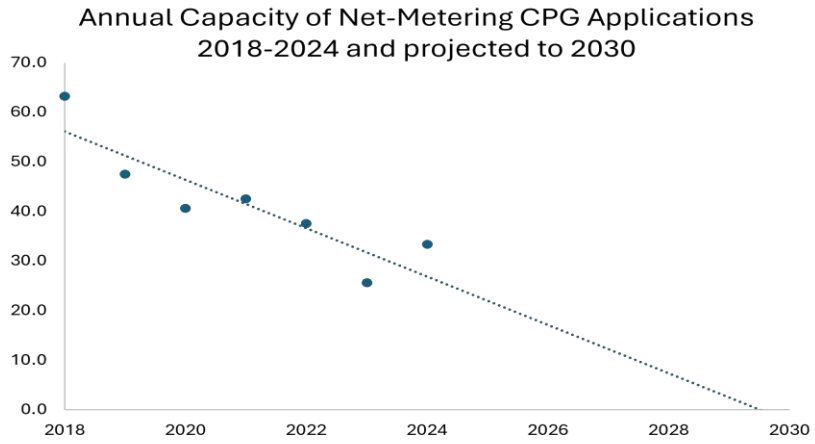
Application Date	Statewide Blended Rate	Size Adjustor NM <150kW	Compensation Rate- Year 1
2/21-8/21	16.4¢	none	16.4¢
9/21-8/22	16.4¢	-1¢	15.4¢
9/22-6/24	17.1¢	-2¢	15.1¢
8/24-7/26	18.3¢	-4¢	14.3¢

The PUC Has Reduced Net Metering Compensation Steadily Since 2017 Which Decreases Residential Solar

The PUC has cut the amount Vermonters receive for net metering 7 times since 2017



As a result, fewer Vermonters net meter each year



Estimates of the net metering cost shift includes “lost sales” to a utility BUT many societally beneficial investments that combat climate change and reduce household energy burden also reduce utility sales

Efficiency Improvement	Annual Sales Reduction
Electric baseboard -> Heat pump	18,500 kWh
7 kW NM 2.6 solar array	7,200 kWh*
Electric water heater -> Heat pump water heater	3,864 kWh
Incandescent lightbulb -> LED	1,530 kWh
Central Air -> Heat pump	940 kWh
25 yr old fridge -> Energy Star fridge	700 kWh

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Magnitude of the Net Metering "Cost Shift"

- Because newer net-metering systems pay a fee to the utility for every kWh of electricity that they generate, and the fee for new systems has been increasing over time, the cost shift caused by new net-metering is modest.

- REV estimates that if the amount of net metering installations in 2025 look similar to installations in 2023, the impact on a typical (700 kWh) electric bill would be less than 30 cents/month for most Vermonters.

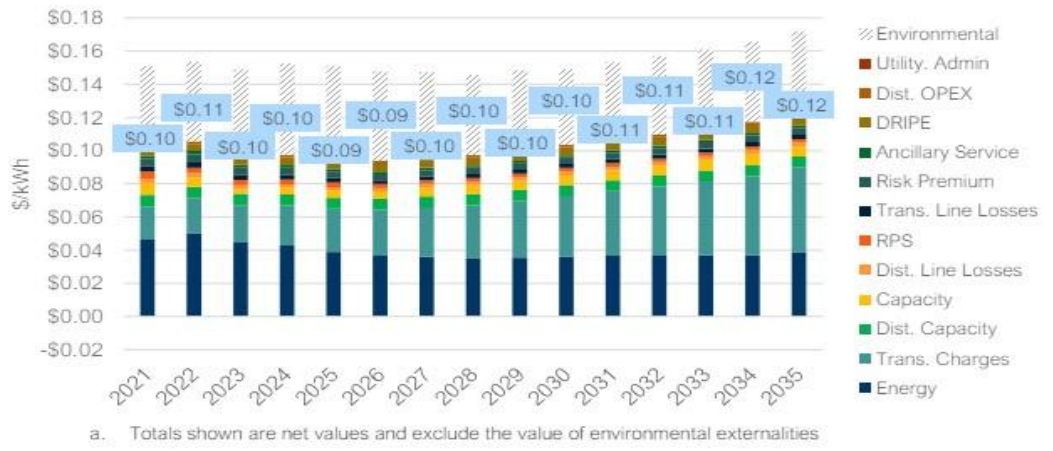
- While the cumulative costs of the cost shift may seem large, it is important to remember these costs are a small fraction of the $1 billion spent by utilities each year and that these costs are disproportionately from older systems (including off-site systems that are phased out), built when solar cost where higher, and during a time that these systems provided millions of dollars in cost-saving peak shaving benefits.

Costs Are Just One Side of Net Metering

There Are Benefits Too!

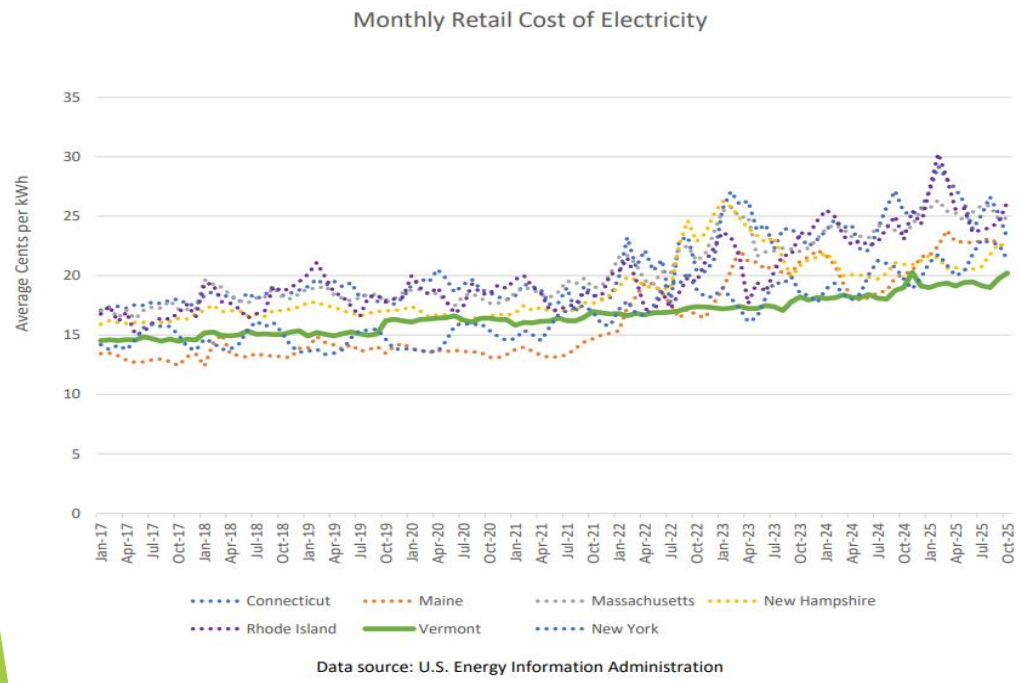
- ✓ Increased Grid Resiliency
- ✓ Decreased Transmission Costs
- ✓ Good Jobs
- ✓ Incentivizing Battery Storage
- ✓ Reduced Pressure on Open Spaces
- ✓ Social Cost of Carbon
- ✓ Fewer Transmission Poles and Wires
- ✓ Less Distribution Line Losses

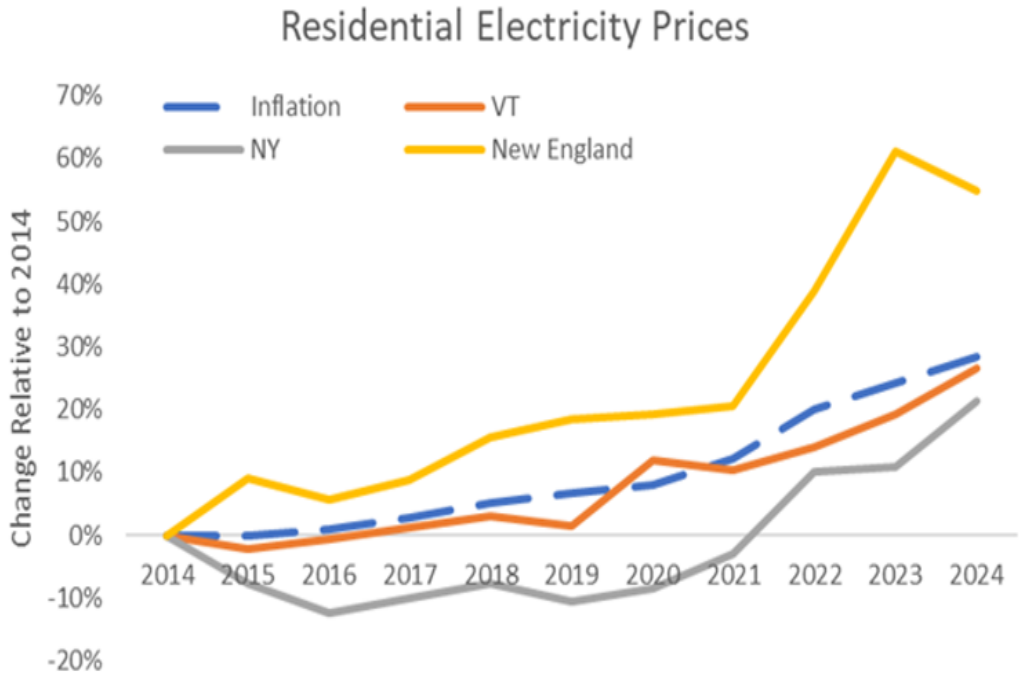
Figure 9. Average Annual Technology-Neutral Value Stack (2021$)[a]



a. Totals shown are net values and exclude the value of environmental externalities

Vermont Electric Rates Largely Track with Inflation





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Between Q3 2015 and Q3 2025, the average residential electricity price increased by 33.39%. The CPI for the Northeast rose by a nearly identically 33.37% over the same time period.

Questions?