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Washington Electric Cooperative

Comments on H.716 before the House
Energy & Digital Infrastructure Committee

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WEC does not support restrictions of this bill to PUC's regulatory responsibility for Rule 5.100

PUC has responsibility to regulate the pace of net-metering to protect Vermont ratepayer from excessive costs

“(T)he Commission remains focused on the General Assembly’s legislative mandate to balance[], over time, the pace of deployment and cost of the [net-metering] program with the program’s impact on rates.” - Case No. 24-0248-INV, biennial update of net-metering program, p. 4

- Available tools are adjustment of adders and credits at state blended rate.
- Financial compensation in net-metering is based on the utility retail rate and the state blended rate.
 - Both increase over time, representing a growing value to the net-metered facility.
 - Adders are remaining regulatory lever.

Piecemeal restriction of PUC's biennial process is counterproductive to its obligation to represent the interest of ratepayers.

Why it Matters

PUC's Biennial Review – Case No. 24-0248-INV

“Without the decrease to incentives for new systems ... the cost of new net metered power would have increased, shifting even more costs to ratepayers who do not net meter and further increasing statewide electric rates” - p.2

“... one of the highest-cost sources of new renewable capacity in Vermont” – p.4-5

“... remains concerned about the overall cost of the net metering program and its corresponding impact on non-participating Vermonters, particularly those Vermonters who are highly energy-burdened” – p.5

“... the unintended, counter-productive effect of diminishing investments in more cost-effective means of reducing Vermont's greenhouse gas emissions, such as electric vehicles and cold-climate heat pumps” – p.6

“... net metering is one of the least effective actions that Vermonters can take to lower the state's greenhouse gas emissions” – p.6

Impact of Bill – Winners and Losers

Financially benefits solar installers and residential net-metering

- Higher financial compensation than w/o bill
- Spurs construction of new installation, employment

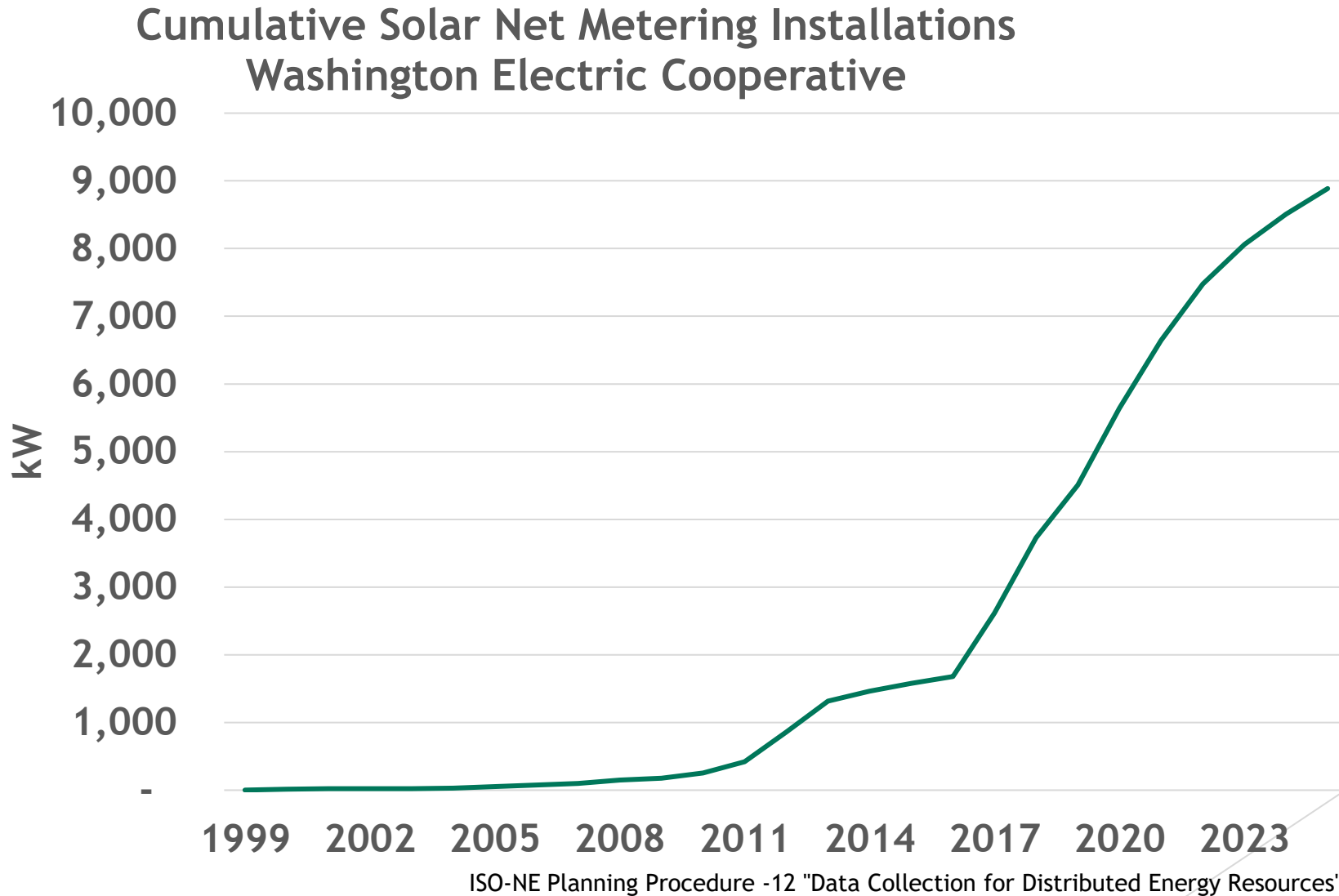
Exacerbates the increased cost of net-metered electricity for other ratepayers

- Above-market compensation for solar power from net-metered facilities incurs cost shift to non-net metering ratepayers.
- Net-metering remains a relatively high-cost renewable in Vermont's portfolio
- Cost burden is regressive, likely slanted toward less affluent ratepayers
- Upward migration of electric rates erodes support of increased electrification and investment in resilience

Environmental benefits? Not as profound as one might hope

- WEC 100% renewable; all WEC ratepayers already receive renewable electricity all the time.
- Vermont electricity portfolio more than 91% free of fossil fueled generation; less than 3% of VT's GHG emission from electric sector
- RES requires all VT utilities to become 100% renewable, preferably at lowest reasonable cost to drive increasing electrification

History of Net Metering at WEC



Opportunity to Reform Net-Metering Statute to Support Residential Solar

The times have changed since the early days of net-metering:

- Installers have brought installation cost/kW down by over a factor of 3.
- Storage batteries of the appropriate size now exist and are coming down in cost; development continuing.
- Time-of-Use rates permitted by advanced customer meters may incentivize solar plus storage
- A net-billing tariff, as in the California Net-Metering 3.0 plan, could obviate the need of negative adders in a net-energy tariff and incentivize the use of batteries.

Solar with paired batteries fulfills a vision of local generation matched with local consumption.

- Similar reforms already pioneered in other states with strong solar penetration