

# Public Utility Commission Suggested Additions to S.50

House Committee on Energy & Digital Infrastructure

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Ann Bishop, Operations Director

# Municipal Notice Filing in Land Records

- 30 V.S.A. § 248(a)(7) requires holders of certificates of public good (CPG) for an in-state electric generation or energy storage facility with a capacity that is greater than 15 kW to:
  - record a notice of the CPG or amended CPG in the land records of the municipality where the facility is located, and
  - file proof of this recording with the Commission.
- Since the statute was enacted in 2016 (Act 174):
  - The Commission implemented an online case management system (ePUC) that provides convenient public access to generation facility CPGs.

# Municipal Notice Filing in Land Records (2)

- Tracking compliance requires significant Commission resources.
- The Commission recently provided a six-month grace period for CPG holders to make overdue compliance filings without penalty.
  - Start of the grace period: 1,167 CPG holders were not in compliance, 94% were net-metering registration CPG holders.
  - End of the grace period: 737 of those CPG holders were still not in compliance, 93% were net-metering registration CPG holders.
- The Commission proposes eliminating the requirement that CPG holders file proof of recording in the municipal land records with the Commission.

# Municipal Notice Filing in Land Records (3)

- Specific statutory change requested to 30 V.S.A. § 248(a)(7):
  - (7) When a certificate of public good under this section or amendment to such a certificate is issued for an in-state electric generation or energy storage facility with a capacity that is greater than 15 kilowatts, the certificate holder within 45 days shall record a notice of the certificate or amended certificate, on a form prescribed by the Commission, in the land records of each municipality in which a facility subject to the certificate is located ~~and shall submit proof of this recording to the Commission.~~ The recording under this subsection shall be indexed as though the certificate holder were the grantor of a deed. The prescribed form shall not exceed one page and shall require identification of the land on which the facility is to be located by reference to the conveyance to the current landowner, the number of the certificate, and the name of each person to which the certificate was issued and shall include information on how to contact the Commission to view the certificate and supporting documents.

# Generation and Energy Storage Application Fees

- 20 years ago: The Commission's work focused almost entirely on utility petitions (funded by gross receipts tax)
  - Over time, an increasing portion of the Commission's work related to applications filed by entities that do not pay the gross receipts tax
- 2019: Application fees were implemented so that those entities would pay a portion of the Commission's costs in reviewing their applications.
- Today:
  - The PUC as an agency spends approximately 36% of its time on matters related to applications filed by entities that do not pay the gross receipts tax
  - BUT: Application fee revenues were only 3.8% of the Commission's FY24 special-fund revenues.

# Application Fees (2)

- The Commission has streamlined work to reduce review costs, including streamlining the registration and application processes for small-scale net metering.
  - Another example is the Commission's request to eliminate the statutory requirement that CPG holders file with the Commission proof of recording their CPGs in municipal land records.
- The level of application fees does not reflect the level of work required to review.
  - Expressed in dollars, the Commission spends more than \$1.3 million each year on these cases while the Commission's application fee revenues in FY24 were only \$159,163.78. This only counts the Commission's personnel costs. The costs would be even higher if the Commission allocated an appropriate share of its other operating costs to these types of projects.

# Proposed Application Fee Increases

- Move to “Cost Causer Pays” approach.
- Currently, all ratepayers (through their payment of the gross receipts tax) are subsidizing the Commission’s work reviewing applications filed by specific individuals and companies. To address this inequity, the Commission proposes increasing the application fees in 30 V.S.A. § 248c. The Department receives 60% of the fee revenues, while the PUC receives 40%.
- The Commission recommends the following fee increases:

	Current Fees	Proposed Fees
Net-metering registrations, net-metering applications less than or equal to 50 kW	\$100.00	\$200.00
Modifications to net-metering registrations, net-metering applications less than or equal to 50 kW	\$25.00	\$200.00
Larger projects that do not qualify for the lower fees	\$5/kW	\$8/kW
Modifications to larger projects that do not qualify for the lower fees	\$100.00	\$400.00

- The Commission estimates that the changes would increase its application fee revenues in FY26 from \$160,000 to \$345,000.
- Even under the proposed fees, the Commission’s application fee revenues would still only cover approximately 26% of the Commission’s personnel costs related to processing these applications.
- 5 years of experience with application fees have demonstrated that the amount of work required for modifications is often higher than for new registrations.