



State of Solar in Vermont

Consequences of HR.1

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Vermonters Value Solar

For decades net-metering has enabled Vermonters to invest in clean renewables and save money on their power bills.





VT Solar Value Decline

Incentives and Disincentives: Utility Rate & Tax Credits

- HR.1 eliminates the Federal Tax Credit (30% of the value of a Solar or Battery Install) as of 1/1/26
- Vermont has been chipping away at the value of solar per kWh: “adders” are now negative.
 - 2016 Value: 22 cents/kWh
 - 2018 Value: 19 cents/kWh
 - 2021 Value: 17 cents/kWh
 - 2024 Value: 14.4 cents/kWh
 - 2026 Value: ??? (GMP Residential Cost per kWh = 21.47 cents per kWh)





Vermont Value of Solar Today vs. 2026

HR.1's elimination of the tax credit for homeowners combined with the "negative adder" means a **20 year** simple payback period.

	VT Before	VT After HR.1
Total Invoiced:	\$34,000	\$34,000
State Tax Credit:	0	0
Federal Tax Credit:	\$10,200	0
Net Investment:	\$23,800	\$34,000
Value per kWh:	\$0.15	\$0.15
Production:	11000	11000
Annual Value:	\$1,648.79	\$1,648.79
Simple ROI/Payback (Years):	14.4	20.6





Vermont Value of Solar Today vs. NY

NY State has a better deal than VT with state support for solar for residents:

*1-1 Rate per kWh

*State Tax Credit up to \$5,000 per home

	VT Before	NY Before
Total Invoiced:	\$34,000	\$36,000
State Tax Credit:	0	\$5,000
Federal Tax Credit:	\$10,200	\$10,800
Net Investment:	\$23,800	\$20,200
Value per kWh:	\$0.15	\$0.25
Production:	11000	12000
Annual Value:	\$1,648.79	\$3,000.00
Simple ROI/Payback (Years):	14.4	6.7



Value of Solar after HR.1: Vermont vs. NY

Purchasing solar is only half as valuable in NY as it is in VT.

	VT HR.1	NY HR.1
Total Invoiced:	\$34,000	\$36,000
State Tax Credit:	0	\$5,000
Federal Tax Credit:	0	0
Net Investment:	\$34,000	\$31,000
Value per kWh:	\$0.15	\$0.25
Production:	11000	12000
Annual Value:	\$1,648.79	\$3,000.00
Simple ROI/Payback:	20.6	10.3



A Possible Solution: Eliminating “Negative Adders”

Eliminating the -4 cent/kWh disincentive - which taxes even consumption behind the meter, could replace the value of the tax credit and blunt the damage caused by HR.1

Why are we taxing behind the meter solar production?

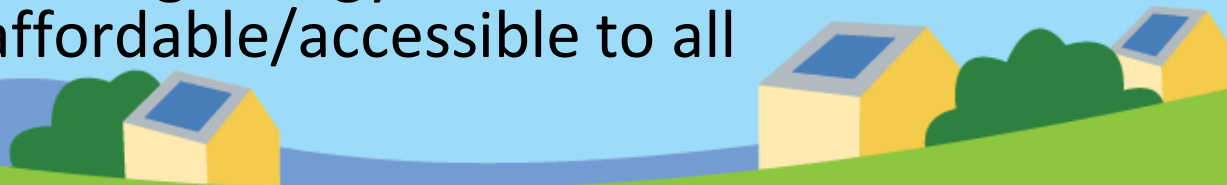
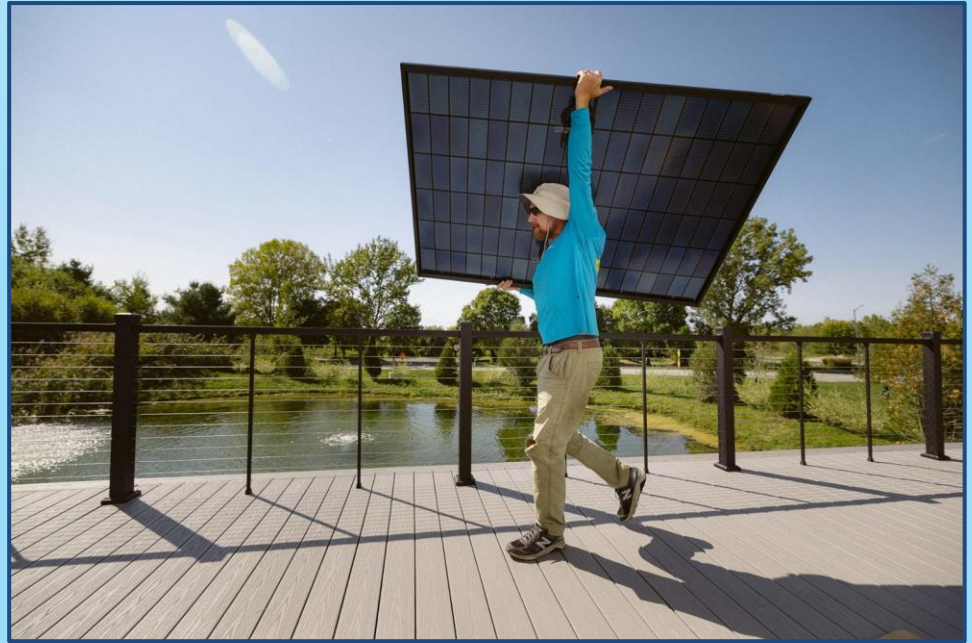
	VT Before	VT GMP Customer with 1-1
Total Invoiced:	\$34,000	\$34,000
State Tax Credit:	0	0
Federal Tax Credit:	\$10,200	0
Net Investment:	\$23,800	\$34,000
Value per kWh:	\$0.15	\$0.21
Production:	11000	11000
Annual Value:	\$1,648.79	\$2,361.70
Simple ROI/Payback (Years):	14.4	14.4



Conclusions

In response to HR.1 Vermont should adjust our policy should align with the shared goals of:

- 1) Producing power in state (and on-site) and maintaining green jobs
- 2) Incentivizing behind the meter consumption and storage
- 3) Making energy affordable/accessible to all





Recommendations:

- 1) Prevent any reduction in solar value in the 2026 biennial review
- 2) Eliminate or reduce negative adders in response to HR.1 shift in value

