

Net Metering

**Testimony to the House Committee
on Energy & Digital Infrastructure**

Ben Edgerly Walsh, VPIRG

April 30, 2026



Net Metering

The program Vermonters can use to go renewable for their home, business, etc.,

You get credit for the power you produce, which counts towards your electricity bill – you pay the “net.”

1998 onward, credit has always been tied to retail rate

Net Metering

- **Authorized in 1998 (Act 136)**
- **Began in April 1999 under PUC (then Public Service Board – PSB) order**
- **First rule (5.100) in 2001**

Net Metering

- **Began small – systems up to 15 kW**
 - Exemption for some farm systems
- **Started as a 1-for-1 energy credit program**
 - You generate one kWh, you don't have to pay for one of the kWh you use that month
 - As the retail rate went up, each credit was worth more

Net Metering

Group Net Metering

- Farmers could combine their meters into a group: Act 145 of 2002
- Contiguous group net metering: Act 208 of 2006
- Virtual group net metering: Act 92 of 2008

Net Metering

Adders and “monetization”

- **GMP voluntarily created the first “solar adder” in 2008 at 6 cents/kWh**
 - **First step away from kWh-for-kWh system**
- **Statewide adder created (Act 47 of 2011)**
 - **Credit “monetized” (i.e. credits in \$, not kWh)**
- **Shifted to “adjustors” under Act 99 of 2014 (“NM 2.0” – effective Jan 2017)**

Net Metering

Three “eras”

- **1998-2011**
 - kWh-for-kWh
- **2011-2017**
 - Statewide adder & monetized credits
- **2017 onward**
 - “NM 2.0” or “2.X” – adjustors (up and down – not just an “adder”)

Net Metering

Credit has *always* tracked retail rates

- **1998-2011**
 - kWh-for-kWh
 - Retail rate goes up, your kWh is worth more

Net Metering

Credit has *always* tracked retail rates

- **2011-2017**
 - Statewide adder & monetized credits
 - Adder calculated in year 1 of a system based on retail rate – set for 10 years
 - From then on, adder added to *current* retail rate
 - Retail rate goes up, monetized credit worth more

Net Metering

Credit has *always* tracked retail rates

- 2017 onward
 - “NM 2.0” or “2.X” – adjustors (up and down – not just an “adder”)
 - Adjustors – positive or negative – added to “blended rate”
 - Retail rate (and hence “blended rate”) goes up, credit is worth more

Net Metering

Credit has *always* tracked retail rates

- **2017 onward**
 - “NM 2.0” or “2.X” – adjustors (up and down – not just an “adder”)
 - Adjustors – positive or negative – added to “blended rate”
 - Retail rate (and hence “blended rate”) goes up, credit is worth more

Solar & the Current Moment

Federal solar tax credit created in 2005 under George W Bush

Federal solar tax credit killed in 2025 under President Trump

- Cost of residential solar functionally increased ~40% from Dec 31 to Jan 1**

Solar & the Current Moment

Department of Public Service proposal to radically reshape net metering comes at the worst possible moment

Certainty and confidence in government promises more important now than ever.

Ben Edgerly Walsh

ben@vpirg.org

