

S.170 Testimony
Peter Sterling, Renewable Energy Vermont
Senate Natural Resources & Energy Committee
January 7th, 2026



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

HR1, the federal reconciliation bill, ended the 30% tax credit for purchasing residential solar 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Simultaneously, the EPA has withdrawn \$62 million in Solar for All funding designated to help low-income Vermonters go solar.

A Vermont response is needed to ensure Vermonters can go solar at home.



Process for Setting Net Metering Rates

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 2026.

The PUC will announce the new rates sometime in May 2026 after taking input from the Department of Public Service and other stakeholders.

These new rates are in effect from summer 2026 through summer 2028.



How Net Metering Rates are Set

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 Public Service Department using a formula that is in statute.

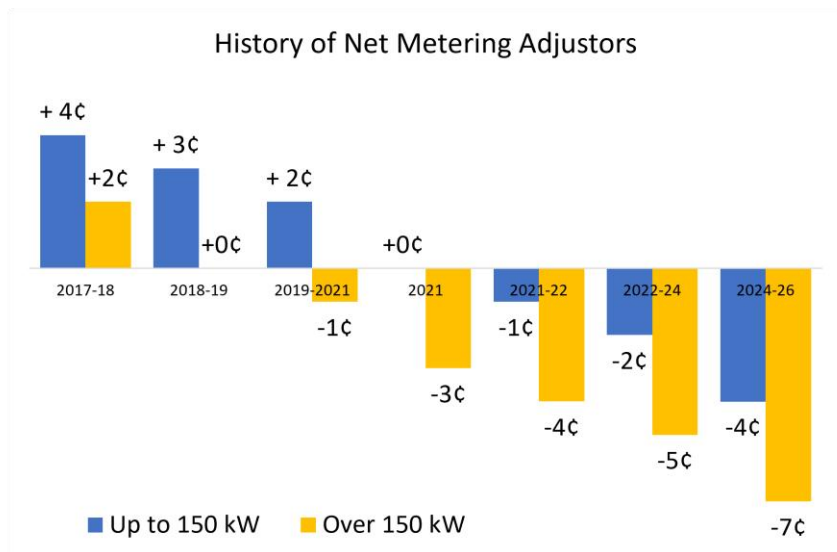
The PUC uses two adjustors to decrease compensation for net metering based on size/siting and whether a customer keeps or sells their RECs to their utility.

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¢

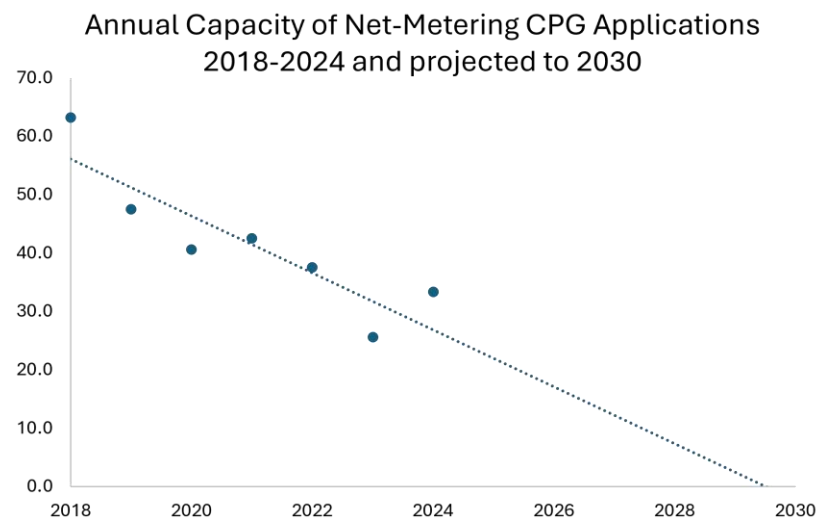


The PUC Has Reduced Net Metering Compensation Steadily Since 2017 Which Decreases Residential Solar

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



As a result, fewer Vermonters net meter each year



S.170 Makes Going Solar at Home More Affordable for More Vermonters

S.170 proposes a two year “pause” in increasing the negative adjustors that make net metering more expensive for those seeking to go solar at home

Freezing the siting/size adjustor for systems up to 25 kW at the current -4¢/kWh would have a negligible impact on most monthly electric bills.

However, it would save homeowners installing a new 10 kW system \$5,500 over the lifetime of the array.



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

