

Preliminary Thoughts on Community Solar

Ed McNamara, Chair, Public Utility Commission

Senate Natural Resource & Energy

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Context

- Community solar is not a GHG mitigation measure
- Electric rates are a regressive means of advancing social policy
 - Targeted subsidies minimize regressive impacts
 - Use different approaches for low income and market
- There are multiple costs associated with any program; how much and who pays need to be a consideration
 - Direct – costs paid to program participants
 - Administrative – depends on program complexity
 - Regulatory – depends on clarity of legislation

Regulatory Context

- “Community solar” is currently not defined in statute and means different things to different people
 - Is expectation to have at least 247 projects – one for each town?
- Public Utility Commission does not regulate solar developers
 - PUC sets the prices paid to net metering customers
- Net metering customers pay solar developer directly
 - PUC does not regulate the interaction between customers and developers
 - Attorney General has general authority to the extent there is a consumer protection issue

Community Solar for Vermonters with Low-Income

- Would need definition of who is eligible and appropriate privacy protections around application process
- Act 142 of 2024 required the Commission to develop a rate stabilization study “focused on reducing or stabilizing energy costs for low- or moderate-income households”
- Affordable Community Renewable Energy Program (“ACRE”)
 - PSD implementing using ARPA funds
- Program design matters

Cow Power Model

- Cow Power program formed in 2006 by Central Vermont Public Service
- Customers that want to support farm methane projects pay a \$0.04/kWh on all or a portion of their bill
- 30 V.S.A. § 8003 authorizing voluntary renewable programs still exists in statute
 - Could repurpose to allow customers to support community solar projects or support low-income community solar participation

Community Supported Agriculture

- Entirely voluntary model
- Individual customer chooses to support farmer directly
 - Can select food type and location of farm
- Organizations like NOFA provide resources for linking customer with farmers
- Individual's choices do not impact others
 - Prices at grocery store do not increase to cover costs of the CSA

CSA Model (1) for Community Solar

- Reflect reality that community solar is a purely financial arrangement and disconnected from customer's meter
- A developer contracts with utility and has individuals pay into the project
 - Individuals would contract directly with developer
 - Developer provides payments to individuals
- This type of model wouldn't be applied to electric bill but allows complete flexibility for customers

CSA Model (2) for Community Solar

- VEC Co-op Community Solar Program
- VEC contracts to develop project
- Customers make upfront payment to sponsor project
- Customers receive a bill credit
- Potential model for other utilities
 - Would likely need to minimize the number of projects to reduce administrative costs
 - Note that aggregated projects may be necessary for smaller utilities