



Net-Metering Summary (House Bill 702)

The bill has two parts:

I. Changes current net-metering program until 2017

II. PSB and PSD process to design a new net-metering program effective 2017

I. Changes to current net-metering program (all changes are effective 4/1/14 – except for the provisions regarding utilities that have already reached the 4% cap (details provided below):

- Raises cap from 4% to 15% of utility's peak load.
 - WEC has 90 days to submit a new rate proposal to the PSB. The final timeline will depend on the length of time it takes for the PSB process to complete (e.g. if there are interveners = longer time). Upon approval, applications can resume being accepted by WEC.
 - All utilities besides WEC who had reached the 4% cap (VEC, Hardwick, Morrisville) have 15 days to submit a new rate proposal to the PSB.
 - § VEC's 5 MW pilot project (unlike the other utility pilot projects) *does* count towards net-metering. Therefore, VEC has a total of ~7% more for net-metering. They plan to do installations of ~2.3% per year. If they receive more than 2.3% per year, then they will close for net-metering for the remainder of that year, reopening in the next. If they do not receive 2.3% per year, the unallocated amount will roll over into the next year. VEC is treating all CPGs as 1st come, 1st served so they suggest you submit applications as soon as you have an interested, confirmed customer.
 - All other utilities, shall file new rate proposal on or before 11/15/2014.
 - If a utility reaches 15% prior to new net-metering program being in place (1/1/2017), it may choose to continue to accept solar net-metered systems ≤15 kW of its own accord. All other net-metering would require utility to obtain PSB approval.
- 10-day registration process now applies to systems ≤15 kW. Updated forms are on-line.
- AC rating: non-solar net metered projects use "rated electrical nameplate for a plant" and solar net metered projects use the "aggregate AC nameplate capacity of all inverters". Updated forms are on-line.
- Customers keep Renewable Energy Credits (RECs), but can give RECs to utility, who must then retire the RECs.
- Solar adder sum shall be highest block rate for first 10 years after CPG is accepted (as is the case under the current system), then a blended rate for years 11 and on. Functionally, outside of WEC, this means the solar adder calculation is the same calculation that you are familiar with. Effectively, this currently means: \$0.20/kWh if ≤15 kW capacity; \$0.19 if above 15kW.
- Non-solar NM rate = retail, unless applicable rate includes inclining block rates, in which case the utility aggregates the blended rates.
- Micro-combined heat and power systems ≤20 kW can be considered net-metering.
- Closed landfills – municipalities can have a ≤5MW solar NM project.
 - Does not count towards cap.
 - Windham County may have a closed landfill project that includes non-municipal group members.
- 5MW pilot projects – 1 per utility area.
 - VEC's does count towards cap, so VEC (at 4% already) has roughly 7% available.
 - All other utility 5 MW pilot projects do not count towards cap.
- PSD must create and maintain a webpage with current NM program status.

II. Guidance for 2017 program

- Current NM program ends 1/1/2017.
- PSD to provide report to PSB regarding NM in October 2014 which will kick-start the PSB process.
- PSB workshop process will result in report to Legislature in January 2016. If all stakeholders concur with the PSB suggestions, and no stakeholder or legislator seeks changes, then no further legislation is needed – the PSB suggested NM program will begin on 1/1/2017. If stakeholders or legislators are dissatisfied with the results of the PSB workshop recommendations, then there is one Legislative session (Jan-May 2016) to pass into law a new NM program for a January 2017 start. Workshop will discuss RECs, group NM, potential cost-shift issues, utility and grid capacity (technical and economic), interconnection requirements, ensuring NM access for all, advancing statutory energy goals, etc.

Bill as passed by House and Senate: <http://www.leg.state.vt.us/docs/2014/bills/Passed/H-702.pdf>

Disclaimer: This summary is provided as a resource to REV members and is the current understanding by REV as of 4/3/14. If errors are found, please notify REV so that this document may be updated accordingly.