Washington Electric Cooperative, Inc

P.O. Box 8, 40 Church Street
East Montpelier, Vermont 05651

Telephone: 802-223-5245; Fax 802-223-6780
www.washingtonelectric.coop

sent by ePUC

May 17, 2019

RE: Case No. 19-0855-RULE Proposed Revisions to Vermont Public Utility Commission Rule 5.100

The Vermont Public Utility Commission ("PUC") issued an order on April 16, 2019 opening a proceeding to review Rule 5.100 which governs the construction and operation of net-metering systems. The Commission requested comments addressing various items. Washington Electric Cooperative's (WEC) comments are outlined below.

(1) changes intended to clarify and streamline the registration of net-metering systems

WEC supports changes that clarify and streamline the registration of net-metering systems including enhancements to notification of adjoining property owners.

(2) recommendations pertaining to "preferred sites" identified in Case No. 17-5202-PET

WEC supports changes to preferred site definition. However, WEC seeks to add language that disallows preferred site status for systems locating in grid constrained areas. Limiting installations to non-grid constrained areas is not currently in the rule but WEC believes adding restrictions is appropriate and consistent with the legislative intent in Act 99. This restriction is also good for developers to signal where they should focus development. Currently significant time is consumed and expended in development initiatives in areas that are oversupplied with generation. New net metering systems in grid constrained areas reduce energy production from existing renewables due to curtailments. In addition whole sale power prices in grid constrained areas are plummeting and causing increased cost to Vermont rate payers. As an example, 500 kW net metering systems in the SHEI area continue to erode the value of existing generation already located in the area. WEC has lost over $420,000 to date due to depressed wholesale power prices in the SHEI. Locating more net metered systems will only work to increase these financial losses and further increase the need to raise rates to WEC members. Therefore, WEC seeks to amend the rule to deny preferred site status in grid constrained areas.

(3) changes that clarify the relationship between the Rule 5.100 certificate of public good ("CPG") application process and the Rule 5.500 interconnection application process.

WEC supports changes that clarify and streamline the interconnection process and relationship between Rule 5.100 and Rule 5.500. Increased grid impacts are occurring causing instability and reliability issues. Therefore increased time and attention is needed to assess the impacts of net metered installations to assure interconnections are safe and do not create reliability issues.

Other Comments

As a 100% renewable utility, there is little to no social or societal benefits of more renewable power in WEC's service territory. That said, WEC is committed to offering net metering to serve WEC consumer-owners ("members") who desire to serve part of their own load through small scale renewable based power.

While we support net metering and we will continue to offer a net metering program, we are concerned about the financial impact of the program. WEC concluded it loses 12 cents for every kWh generated from systems in the net metering program. With 3,573 kW installed in our service territory, this equates to increased expenses of $488,271 assuming a 13% capacity factor. This is equivalent to a 3.49% increase to rates. WEC is concerned about the added rate pressure and impacts to low income consumers and those struggling to pay their bills. WEC serves a very rural and less wealthy populace than other utilities in Vermont, and we are very concerned about cost shifting to low income consumers. The implications of paying more for power than necessary means those with the least voice will be harmed the most. As a not-for -profit utility, any loss incurred from a net metered consumer is picked up by those that do not or cannot afford to net meter. To this end WEC seeks relief from the commission in its assessment of the rates paid for net meter power production. Rule 5.100 should allow a fair and balanced design that is not only fair to those installing net metered systems but also fair to those that choose not to. Lowering the rates and adjusters paid for net metering systems is in Vermont rate payers best interest and WEC urges the commission to lower the rates paid in the program

WEC appreciates the opportunity to submit comments. If you need additional information do not hesitate to contact me.

Sincerely,

Patricia H. Richards
Washington Electric Cooperative, General Manger