

ASSOCIATED INDUSTRIES OF VERMONT

REPRESENTING THE VERMONT INDUSTRIAL AND BUSINESS COMMUNITY SINCE 1920

November 1, 2019

Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, Vermont 05620-2701

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

Dear Ms. Whitney:

AIV appreciates the PUC conducting a thorough review of the impact net metering is having on electric rates and related issues in Vermont and the development of changes that address negative impacts net metering is having on the affordability of electricity and the competitive pressures faced by Vermont employers, particularly manufacturers and other energy dependent businesses.

AIV hopes to provide more thorough comments and recommendations informed by the submissions today and following from the electric distribution utilities and other stakeholders by the deadline for reply comments in accordance with the Commission Order of October 17.

Nevertheless, based on information available to date, AIV would note:

- Net metering appears to be having a meaningful impact in increasing electric rates and shifting costs from program participants onto customers generally.
- Net metering compensation should be changed so that the effective cost is more closely aligned with general wholesale costs or potentially more affordable generation. The allocation of connection and other system costs should also be reviewed to ensure that non-participating customers are not bearing such costs.
- To the extent that changes in compensation and allocation of other costs do not eliminate cost shifts and rate increases, the amount of net metering projects utilities are required or allowed to accept should be further restricted.
- With regard to "preferred site" criteria, minimizing costs to utilities and ratepayers should be critical requirements as applicable.

AIV would also urge that, as related submissions are reviewed and discussed, the valuation of intangible and other costs and benefits not readily based in actual costs be rigorously examined to ensure relevance, objectivity, and rationality.

In addition, to the extent that potential responses to the negative impacts of net metering are identified outside the PUC's existing authority, the relevant statutory obstacles or limitations should be clearly identified so that potential reforms can be pursued.

Again, AIV appreciates the timeliness and importance of this proceeding and we look forward to working with the PUC and stakeholders moving forward.

Sincerely,



William Driscoll
Vice President