



REV Comments on Rule 19-0855: Net-metering Compensation

Workshop #3

Considerations Updating RULE 5.100

- ▶ REV appreciates the opportunity to review and update aspects of RULE 5.100. In that context, we think it is beneficial to state upfront the principles we view this from:
 - ▶ **Reflect on specific changes in a broader context:** The PUC must look at full societal benefits delivered by Net Metering
 - ▶ **Keep it simple:** Simple has been shown to translate into participation
 - ▶ **All changes to NM Compensation should be geared towards expansion of deployment**
 - ▶ **Build off our experience and the experience of other states:** Draw from the large volume of studies, proceedings, and experiences
 - ▶ **Update Rules to be forward looking:** Are there opportunities to unlock new benefits for Vermont
 - ▶ **Celebrate NM Works:** NM is a proven success that provides a meaningful way for all Vermonters to directly reduce GHG emissions, save on their bills, and create broad economic benefits for VT

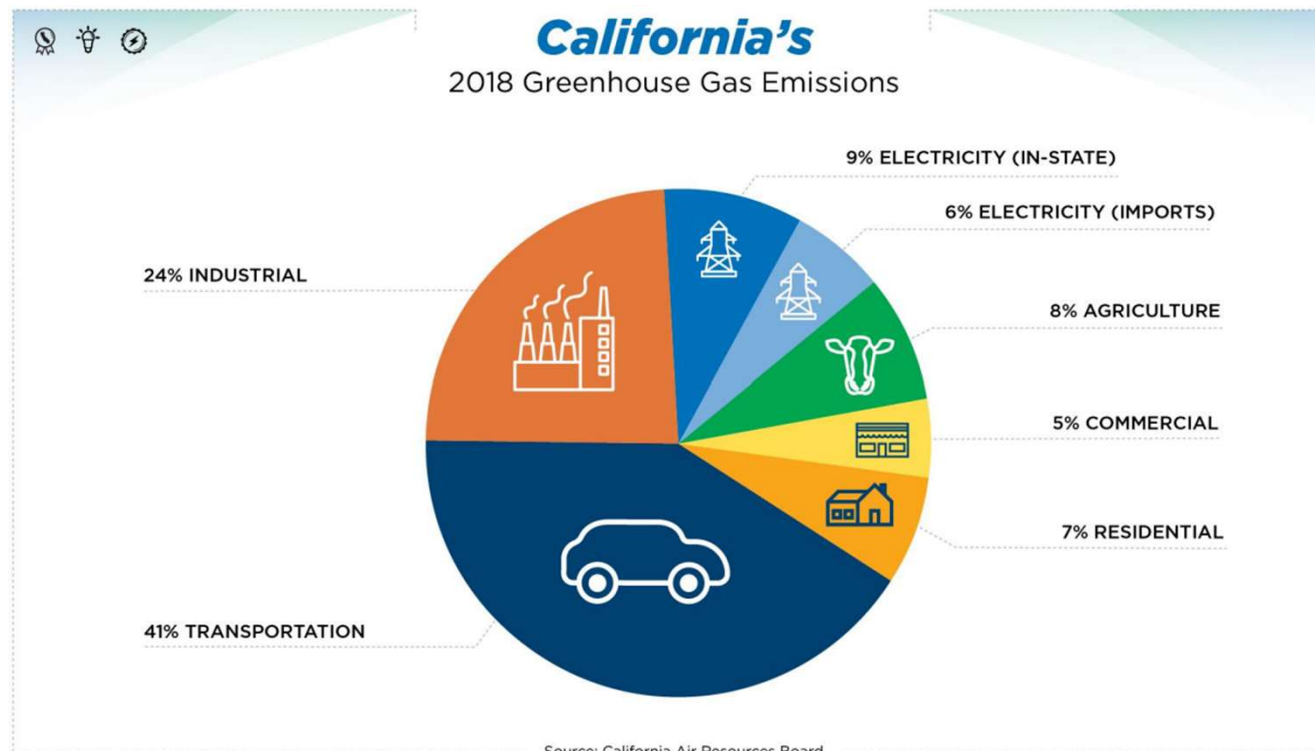


Broader Context

- ▶ We have less than 20 years to act to mitigate the worst effects of climate change
- ▶ Vermonters are already bearing the cost of climate change in local property taxes, utility bill storm fees, drought related costs, personal property damage, and wholesale changes to what we consider as “Vermont”....
- ▶ We need an “ALL OF THE ABOVE” type response to address Vermont’s obligation to mitigate climate threats
- ▶ GWSA raises the bar for considering GHG reductions and makes them mandatory
- ▶ RECs can mask Vermont’s true GHG electric emissions
- ▶ Synapse Energy Economics’ 2020 report “Solar Savings in New England” clarifies new solar generation in NE displaces NG GHG emissions
- ▶ Standard Offer is fully subscribed - we only have NM left and it has been declining while the rest of the country is increasing local RE content

We hope these discussions can be held in the context of how net metering can be an immediate, responsible solution to mitigate our GHG emissions and ultimately lessening the impacts on Vermont

Appendix



Appendix

To Achieve Clean Energy

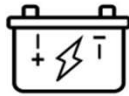
Development Needs
To Rapidly Accelerate



Solar & Wind

3X

Solar and wind build
rates need to nearly triple*



Battery

8X

Battery storage build
rates need to increase
by nearly eightfold**



*Based on 10-year average | **Based on 2020

Achieving 100% Clean Electricity in California



Specific Recommendations on Questions:

Should the Commission consider the value of DG tariff or other pricing mechanisms in general ?

Keep it Simple and Financeable

- **REV RECOMMENDS** that the existing structure of connecting NM to retail rates is best for Vermonters
 - **REV RECOMMENDS** following the conclusion of other state's successful response to this question be reviewed, which kept small DG (<1MW) tied to retail
 - **REV RECOMMENDS** keeping NM compensation tied to retail rates; as it scales appropriately over time and is understood by lending institutions.
- 



Specific Recommendations on Questions:

Steps the Commission can take to ensure equitable participation in NM and other programs.

Create a compensation structure
Incentivizes Low Income Participation

- **REV RECOMMENDS** a regulatory process be established to determine appropriate adjustments to compensation to encourage more low- and moderate-income participation



Specific Recommendations on Questions:

Should the Commission consider “minimum bills”?

Who would be most impacted by minimum bills?

- **REV RECOMMENDS** - No, we do not believe that would lead to increased deployment and will most likely adversely impact the most vulnerable.

Specific Recommendations on Questions:

How can the Commission improve the current compensation structure?

Look at balancing reduced compensation with reduced “soft costs”.

- **REV RECOMMENDS** eliminate customer cap. With compensation at a fraction of retail rates, concerns over cross subsidies between sectors is gone
- **REV RECOMMENDS** a cost - benefit review of regulatory processes / requirements and the value they deliver.
- **REV RECOMMENDS** that colocation be allowed on preferred sites

Create a compensation structure that incentivizes community solar for residential and small commercial

- **REV RECOMMENDS** a regulatory process be established to determine appropriate adjustments to compensation to encourage more community participation

Explicitly removing the REC value from compensation

- **REV RECOMMENDS** the Commission separate out the REC value in the NM compensation, and appropriately value the RECs for the entire life of the project.
- **REV RECOMMENDS** that customers be provided the assurance that their RECs are retired in state.



Specific Recommendations on Questions:

Should the Commission change Rates to reflect avoided cost?

NO. Avoided cost alone is not the metric

- **REV notes** the statutory framework requires a full societal benefit analysis, which avoided cost alone is not.
- **REV RECOMMENDS** further that statute now requires that any rules for NM compensation shall advance the GHG reductions mandated by the GWSA.



Specific Recommendations on Questions:

Are there other Strategies the Commission should be considering with respect to NM?

How does NM compare and contrast with other “measures”

- **REV RECOMMENDS** NM be viewed in the broader context of regulatory tools and benefits in a similar way to other measures

As an example: The “lost sales” impact on rates (no resource acquisition costs included) for a single year of efficient residential lighting installations in VT is equivalent to the impact on rates from 50MW of NM Solar (.37%). We all know efficiency benefits VT, and would like the benefits of NM considered too.





Specific Recommendations on Questions:

Are there other Strategies the Commission should be considering with respect to NM?

Yes. Calibrate NM Compensation to increase deployment

- **REV RECOMMENDS** for small scale projects (<1MW) that compensation calibrated to accelerate deployment of desired projects (including parking canopies, community solar, landfills, and energy storage).





Specific Recommendations on Questions:

Are there other Strategies the Commission should be considering with respect to NM?

The focus is Decarbonization

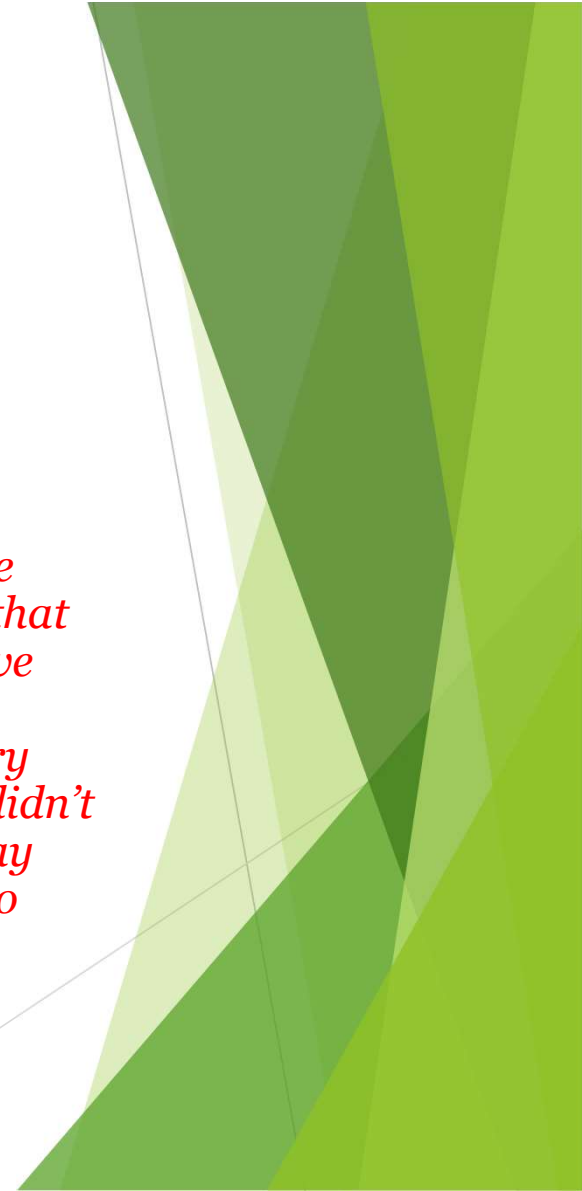
- **REV RECOMMENDS** our collective primary focus should be on decarbonization, and NM is critical tool to decarbonizing the heating and transportation sectors
- **REV NOTES** that for every kWh of new NM generation that comes online - a corresponding kWh from NG/GHG generation facility is offset.
- **REV NOTES** respectfully that the Commission's recent changes to NM compensation has severely impacted deployment rates, at a time when we need to be rapidly deploying tools to reduce GHG



Grabbing the Wheel

As Bill McKibben recently wrote in the New Yorker:

The eventual outcome is not in doubt: eventually, the planet will run on renewable energy. But how long that transition takes will determine what kind of shape we leave the planet in. At the moment, the bankers and politicians in the driver's seat are taking us for a very long, very dangerous, and very expensive ride. We didn't ask for Hell when we climbed in the cab, but that may well be where we end up, unless we figure out how to grab the wheel.





Grabbing the Wheel

- ▶ **Immediate, meaningful, and comprehensive actions are needed to address our climate crisis** - NM is available now, with a workforce ready to implement - but we must keep it simple
- ▶ **Vermont Statutes require us to consider climate** when making decisions, and we should be incorporating climate into our decisions
- ▶ **Recognizing the total societal benefits of NM exceed any rate impacts**, our discussion should be on how we can encourage more NM / DG
- ▶ **We should be focused on pairing decarbonization through electrification** with instate renewables to maximize benefits to Vermonters

Thank You - REV appreciates the
Commission's time and effort to lead this
discussion

