Vermonters for a Clean Environment

October 15, 2021

Holly R. Anderson, Clerk
Vermont Public Utility Commission
112 State Street – 4th Floor
Montpelier, VT 05620-2701

Re: Proposed Revisions to Rule 5.100, 19-0855-RULE

Dear Ms. Anderson,

Vermonters for a Clean Environment offers the following comments on compensation for net-metering projects, forest clearing for solar projects, and updates to Rule 5.100. Our comments are informed by the state's need to update energy policies as the Standard Offer program expires and the net-metering program has been resulting in unintended consequences regarding location far from load, cost shifting and equity.

General Comments

Industry proponents are promoting the idea that the PUC's updates to the net-metering rule have resulted in slowing renewable energy development. VCE is observing that the industry is approaching this subject with a sense of entitlement, leading to the idea that all obstacles to deployment of renewable energy should be reduced or eliminated altogether. We disagree.

We are especially concerned about the increasing attack by developers and industry proponents on "NIMBYs", which we observed yesterday in Vermont Law School's Energy Law and Policy Symposium and have been hearing with increasing volume by renewable energy proponents who have an economic interest in development. As noted in our most recent comments on this rule, the developer-driven approach to renewable energy needs to change so there is a partnership with neighbors, communities, developers and utilities.

As more distributed renewable energy is deployed in Vermont, we are recognizing that "net-metering" is a flawed concept. Real renewable energy systems require using the electricity when it is generated, or storing it. Storage lasts only so long, especially in winter when Vermont has long periods of time with no sunshine. Once the storage capacity is exhausted, some sort of back-up generation is necessary. A real renewable energy system, therefore, cannot accumulate credits in the summer for use in off-setting bills in the winter.

Vermont's net-metering policies favor wealthy people who can install more renewable energy than can be used in real time, and enable not only offsetting winter bills but also giving away excess credits. The ability to use accounting games to claim renewable energy is being used in winter months needs to end.

789 Baker Brook Road • Danby • Vermont • 05739 • 802.446.2094

VCE recommends changes to create a more realistic renewable energy program that rewards "self-generation" rather than "net-metering". Under the concept of "self-generation," new distributed renewable energy is built next to load. There are incentives (rates) to consume that energy when it is being produced. Examples: charge vehicles on sunny days, do laundry on sunny days, make behavioral changes to maximize the use of electricity at the time it is being generated. Use less at night and on cloudy days.

The practice of "virtual" net-metering needs to end. As the utilities (all of them) have been saying for the last few years, building far from load is not necessarily supporting the grid and may be adding costs.

Issuing CPGs for net-metered projects (especially 500 kW) that do not have customers is a practice that needs to stop.

With the above concepts in mind, VCE supports eliminating the cap on "self-generation" so that customers of all sizes can benefit from new locally distributed renewable energy built next to load, serving local load. This can include supporting micro-grids to serve entire communities. However it should be done in conjunction with aligning rates similar to Standard Offer program compensation rather than retail rates.

A major obstacle to community solar seems to be federal tax policy that requires wealthy individuals with a high tax burden to make use of the Investment Tax Credit. VCE would appreciate it if the PUC would provide more detailed information to the public about how distributed energy resources are financed, in order to build a state policy that creates more equity to everyone. This is a fundamental problem that is not well understood by the public and needs some sunshine to move forward in a more equitable way.

Create Incentives for Solar Parking Lot Canopies and Disincentives for Clearing Forests for Solar

Use rate structure to enable solar parking lot canopies (with associated EV charging). Create an equal, negative disincentive for cutting forests for solar. Example: x cent adder for solar parking lot canopies, -x cent penalty for cutting forests for solar. The amount should be based on the rate necessary to incentivize solar canopies on parking lots. This is the single best policy the PUC could adopt to create multiple benefits and reduce fragmentation and loss of carbon and other benefits provided by trees.

Respectfully submitted,

/s/ Annette Smith

Annette Smith
Executive Director
Vermonters for a Clean Environment