



Stowe Electric Department  
PO Box 190  
435 Moscow Rd  
Stowe, VT 05672  
802-253-7215  
www.stowelectric.com

---

April 25, 2022

Ms. Holly Anderson, Clerk  
Vermont Public Utility Commission  
112 State Street, 4<sup>th</sup> Floor  
Montpelier, VT 05620-2701

Re: Case No. 22-0334-INV, In re: biennial update of the net-metering program.

Dear Ms. Anderson:

Pursuant to the Vermont Public Utility Commission's ("Commission") Order dated 03/15/2022, the Town of Stowe Electric Department ("Stowe") submits this comment to the Department of Public Service's Recommendations filed on 04/08/2022.

Collectively, the Vermont distribution utilities support the build-out of renewable generation resources. Stowe also supports the Department's recommendations to make a "modest overall downward adjustment to net-metering compensation." Department 04/08/2022 filing, p.1. Stowe supports a net-metering framework that reduces the compensation paid to those ratepayers who can most afford to install net-metering systems, while continuing to encourage distributed energy resources and beneficial electrification projects.

Stowe agrees with the Department that the COVID-19 pandemic, supply chain disruptions and other factors, make it reasonable to implement a modest downward adjustment to net-metering compensation. Stowe is also generally supportive of the comment filed by Vermont Electric Cooperative ("VEC") on 04/25/2022. Stowe has also seen the continued growth in net-metering systems since 2016, which supports the Department's and VEC's position that a modest downward compensation rate adjuster is appropriate.

Stowe has experienced increased demands on our billing, administrative, regulatory, and operations staff in reviewing net-metering applications, communicating with installers, verifying the safety of interconnecting new technology on our system, and reporting net-metering systems to regulators. These administrative costs are not adequately adjusted for in the current net-metering framework and place increasing demands on public power's staff. Stowe encourages the Commission and the Department to take a hard look at the administrative impacts caused by net-metering and is encouraged by the proposed revisions to Commission Rule 5.100 and Rule 5.500.

The current net-metering framework does not adequately account for net-metering ratepayers paying their equitable share of the utility's cost of service, because the current framework favors ratepayers who can afford to install, lease, or finance expensive net-metering generation and co-located battery storage systems. This results in a cost-shifting from the ratepayers who can afford to, in effect, opt-out of utility rates to those ratepayers who cannot afford to opt-out. This means that ratepayers with the highest energy burdens (the percentage of gross household income spent on energy costs) are least likely to take advantage of net-metering installations and beneficial electrification projects. Therefore, low- and moderate-income ratepayers will continue to face increasing pressure to pay for a greater share of the distribution system's cost of service.

Public power utilities are obligated to bring least-cost reliable electric service to our ratepayers, offer equitable opportunities for all rate-classes, and encourage cost-effective distributed generation development in Vermont. Stowe believes the most equitable framework is one where excess net-metering generation is compensated at the same rate the ratepayer is billed for their consumption. In other words, a framework that discourages overbuilding net-metering

systems by using excess generation credits to artificially shorten payback periods. Stowe agrees with the Department that a modest reduction in net-metering compensation is justified and hopes the stakeholders involved in its biennial net-metering update will agree to a more equitable framework for all ratepayer-classes in Vermont.

Electronically filed April 25, 2022 Stowe, Vermont

Respectfully,

/s/

Michael N. Lazorchak

Manager Regulatory Affairs

Stowe Electric Department

PO Box 190

Stowe, VT 05672

Phone: 802.253.7215

[mlazorchak@stoweelectric.com](mailto:mlazorchak@stoweelectric.com)