Vermonters for a Clean Environment

June 24, 2022

Case No. 19-0855-RULE

Re: Reply Comments to Proposed revisions to Vermont Public Utility Commission Rule 5.100

Dear Public Utility Commission,

Vermonters for a Clean Environment offers the following reply comments on the draft Net-Metering Rule update.

**<u>Department of Public Service Comments:</u>**
DPS recommends staying the net-metering compensation framework until the CPUC issues an order.

This raises the question about how merchant developers are regulated, or not regulated. Chair Roisman made a cogent comment in the workshop where he noted that the PUC knows the costs and salaries of regulated utilities, but the Commission does not know anything about the costs associated with merchant development. While this may be a question for the legislature rather than the PUC, it is an important issue to further evaluate given the possibility that merchant developers are receiving high salaries and high rates of return on investment at the expense of ratepayers.

*<u>Section 5.107</u>*
VCE supports the recommendation to provide a written project narrative.

However, it is unclear what happens with contested cases that do not contain the applicant's pre-filed testimony. The proposal to eliminate testimony could lead to more work for the applicant that has not been considered in the draft rule.

If the case is contested, what is the process? Do intervenors serve discovery based on the application materials? Or does the applicant have to prepare pre-filed testimony. Do intervenors submit pre-filed testimony? Or do they provide some other form of their own evidence? This needs to be fleshed out more.

As written, this section of the rule seems to be entirely from the developer's perspective. Please consider the public's perspective and fill out the process going forward if the case is contested when the only submission is in an application without attribution to the specific people and expertise involved in preparing the information.

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*Section 5.116 and 5.118*

VCE agrees with the Department's recommendation to keep the comment and request for hearing period at 30 days. It is consistent with Section 248a's 30 day comment period.[1]

**Significant Forest Clearing**

A number of commenters (VAPDA, H.B. Logging LLC, Norwich Solar Technologies, VHB, Renewable Energy Vermont) take issue with the proposed definition and limitation on clearing more than one acre for net-metered solar projects.

VCE strongly supports the PUC's draft language proposing to limit clearing forests for two categories of net-metered solar projects, and does not agree with those who quibble with the definition or limitation on clearing forests for net-metered solar projects. There is nothing confusing about the proposed draft language. However, we would prefer that the rule eliminate the term "forest block" and refer only to "forest."

500 kW net-metered solar projects proposed for forested parcels require only 2 -3 acres for the array itself, but it is not uncommon to see these proposals call for cutting 11 acres of trees to eliminate shading issues. This is wasteful of the numerous benefits that forests provide, including wildlife habitat, water resource infiltration, carbon storage, and more. The practice of clearing a 11 acres of forest for a 3 acre solar array should be stopped.

Those who take issue with the specific language should propose alternative language that clearly articulates how to place limits on unnecessary and wasteful forest clearing.

Our experience with the Vermont public is that one of the biggest complaints that Vermonters have with proposed net-metered solar projects is when they involve cutting forests, especially in excess of what is necessary for the solar array itself.

It is in the public interest to eliminate this practice by limiting it to no more than one acre of clearing, which is usually sufficient to address shading issues on non-forested sites.

Since most of these forested sites are for 500 kW arrays not built next to load, we note that "virtual" net-metering is placing unnecessary load on the grid and should be abolished altogether. As stated in our earlier comments, we support lifting the cap for net-metered projects if they are built next to load. However the practice by some companies in particular of siting 500 kW arrays on forests in areas without customers is not advancing the state's renewable energy system.

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[1] The PUC's Section 248a Procedures page and DPS guide to Section 248a still say 21 days and should be updated to 30 days
https://puc.vermont.gov/sites/psbnew/files/doc_library/wireless-communications-facilities-section-248a_0.pdf
https://publicservice.vermont.gov/sites/dps/files/documents/Public%20Guide%20248a.pdf

Community solar arrays to benefit customers who do not have the ability to site solar at load should be sited as close to users as possible, and not require clearing more than an acre of forest.

**Norwich Solar Comments**

VCE agrees with Norwich Solar's comments on (unnumbered) page 4, 2. Greater Public and Legislative Policy Considerations are Needed, to the extent that the costs, salaries and salaries of merchant developers is unknown. The profits of merchant developers have fiscal implications and should be required to be disclosed to the PUC in setting rates.

VCE supports full disclosure of costs for solar canopies and sites next to businesses so that in the future, Vermont's communities benefit from locally built solar next to load. This rule update can play a role in phasing out "virtual" net-metering.

**Renewable Energy Vermont Comments**

VCE agrees with REV in urging the Commission to consider an additional site adjustor to encourage greater utilization of parking canopies. However, coupled with that recommendation is disclosure by developers of costs associated with parking canopies.

**General Observations**

Consistent with VCE's previous recommendations, we support eliminating the ability of net-metered customers to bank credits generated in summer to be used in winter or given away to other customers. Real renewable energy systems do not work that way. The electricity must be used when it is generated, or sent to the grid for general consumption.

While this is probably a topic for the legislature and outside the possibilities for the PUC to enact with this rule update, VCE supports the idea of eliminating the net-metering program and replacing it with a self-generation program, where consumers use the electricity as it is generated, and possibly aggregate the excess power to be sold on the wholesale market in real time.

Given the extensive costs associated with the bookkeeping and accounting for net-metering, the gaming of the system with "virtual" net-metering, and the need to support generation next to load, a new self-generation program that includes battery storage would simplify this overly complex program.

Sincerely,

*/as/Annette Smith*

Annette Smith
Executive Director