

Boardman Hill Solar Farm LLC

1030 Boardman Hill Road, West Rutland, VT 05777

via electronic delivery: psb.clerk@vermont.gov

Re: Proposed Rule 5.100

May 6, 2016

Dear Vermont Public Service Board:

Here is a written summary of the comments you gave us the opportunity to make yesterday at the PSB hearing.

Last week, last Thursday, we were at the state house receiving the Governor's award for environmental excellence for a community solar project -- Boardman Hill Solar Farm (BHSF).

This week, this Thursday, we are at this hearing to point out that the PSB proposes a penalty of minus -6 cents/kWh for the same reasons this community solar project was given the Governor's award.

How is this possible? The Governor & the ANR say environmental excellence. The PSB says impose a harsh penalty. Both are evaluating the same community solar project! That doesn't seem right, does it? So let's take a closer look at the issues.

This innovative community solar project has low low costs, much lower than others. Yet it's truly green ... it's VGVG -- Vermont Grown & Vermont Green -- truly green because it holds RECs & retires them in Vermont. It was awarded VECAN's best energy project of 2015. It's recognized as an excellent model for community solar by VNRC & VLS (Vermont Law School). It's being replicated in a number of Vermont communities. It even has a PLR from the IRS of eligibility for the 30% residential tax credit.

Quite positive, right? All solid reasons for the Governor's award. Yet the proposed PSB "REC adjusters" would penalize community solar like this model minus -3 cents/kWh for holding and retiring RECs in Vermont. And penalizes them another minus -3 cents/kWh for not transferring RECs to the utility.

Holding and retiring RECs in Vermont so a project is truly "green" ... and so participants are using "solar" ... and so solar energy is being fed into the grid ... and so it counts toward Vermont's renewable energy goals --isn't all that to the public good?

By contrast, what happens when RECs are transferred to the utility? Oh yes, it benefits the utility. And everyone else is a loser. Title to the environmental benefits has been transferred,

so by law the project is not “solar” or “green” or “renewable” and cannot legitimately be counted toward Vermont’s renewable goals, and solar energy is not being fed to the grid, and participants are not buying solar and are not using renewable energy and cannot claim the 30% federal tax credit. That is not in the public interest.

In the public interest, we respectfully recommend:

- Cancel the -3 cents/kWh “REC adjustor” that penalizes retiring RECs in Vermont ... and
- Cancel the +3 cents/kWh “REC adjustor” for transferring RECs to the utility ... and
- Apply the +3 cents/kWh “REC adjustor” to holding & retiring RECs in Vermont ...

Many thanks for your thoughtful appreciation and application of our recommendations.

Best regards,

Roland Marx
Co-founder and Presiding Officer