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STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-3947-TF

Tariff filing of City of Burlington Electric Department to revise its net-metering tariff effective October 1, 2022	

RESPONSE OF BURLINGTON ELECTRIC DEPARTMENT TO THE VERMONT PUBLIC UTILITY COMMISSION'S INFORMATION REQUESTS

NOW COMES City of Burlington Electric Department ("BED"), by and through its attorneys, McNeil, Leddy & Sheahan, P.C., and hereby responds to the Vermont Public Utility Commission's ("PUC's" or "Commission's") Information Requests to Burlington Electric Department dated January 23, 2023, as follows:

1. ***a. In subsection V.F.(5) of BED's net-metering tariff, BED has proposed striking the reference to subsection V.F.(3) and replacing it with a reference to subsection V.F.(4). Subsection V.F.(4) concerns additional compensation that BED will pay customers beyond the compensation provided for under subsection V.F.(1). Therefore, as BED's tariff is currently proposed, the credit referred to in subsection V.F.(5) would be based upon the $0.052265 per kWh payments only. Is this BED's intention? Under prior iterations of BED's net-metering tariff, it appears that the credit under subsection V.F.(5) would have been based upon the amount calculated under subsections V.F.(1) and (4).***

The Public Utility Commission ("Commission") is correct that prior versions of BED's Commission-approved net-metering tariffs were written such that BED was authorized to provide cash-out payments for balances of $100 or more ***for both solar incentive credits and net-metering credits*** that pre-existing net-metering customers had accumulated, and to allow customers to accumulate both credits from year to year.[1] This was the case until BED's net-metering tariff was revised and in effect as of January 1, 2017.[2] As of the Commission's

[1] Applicable language from BED net-metering tariff effective November 1, 2010, allows cash outs and year-to-year carryovers for **both** NM credits and solar incentives: "In the event that the **aggregate value of the amount calculated under 1-3 above** [emphasis added] is a credit, BED will carry that credit forward to the next billing period (and this credit may be carried over from year to year). At any time where the credit to be carried forward to a subsequent billing period equals or exceeds $100, the customer may request that BED pay the customer the value of the credit and set the carry forward amount back to $0. BED may, at any time, elect to pay the customer the value of the credit and set the carry forward back to $0. Amounts owed to the customer pursuant to this tariff will not accrue interest during any period prior to their being paid to customer." See Attachment A.

[2] Applicable language from BED's Commission-approved net-metering tariff that was effective January 1, 2017, switches to cash outs and carryovers beyond 12 months for **only** the solar incentive, and excludes net-metering

approval of that tariff, the tariff language was changed such that these provisions only referred to a net-metering customer's solar incentive credits. The same has been true for the text in all subsequent BED net-metering tariffs approved by the Commission.[3]

While preparing responses to the Commission's information requests, BED determined that it inadvertently narrowed the applicability of its Commission-approved provisions that authorize cash outs and carryovers beyond 12 months in its 2017 tariff. The unintentional nature of this change in policy is supported by the fact that, despite showing a separate value for solar credit and net-metering credit balances on monthly customer statements, BED did not implement this change in its customer billing policies/procedures. In fact, BED's billing system is not capable of automatically differentiating a customer's solar credit balances from its net-metering credit balances for purposes of expiring credits or for issuing cash out checks. It would make no sense for BED to have voluntarily proposed a policy change (i.e. a change not required by change in applicable statute or rule) that its billing system was not capable of implementing.

BED is planning to implement a new customer information system ("CIS"), which is a long-term investment of significant time and resources. If necessary to support its net-metering tariff, BED should be able to configure the new CIS to treat the retired credits from the solar incentive and net metering separately as well as display them separately on the bill. However, as noted above, in the meantime, BED would propose to revert its tariff to the provisions that were in effect prior to the 2017 net-metering tariff that authorized cash outs of balances greater than $100 and year-to-year carryovers of balances for <u>both</u> solar incentive credits <u>and</u> net-metering credits for pre-existing net metering customers.

b. Please explain in detail how BED is calculating the credits that are carried forward under subsection V.F.(5) of BED's current approved tariff?

The solar incentive credits are calculated separately from the net-metering credits and shown as a separate amount on each monthly bill. In BED's current net-metering tariff, eligible customers

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credits from the reference: "In the event that the aggregate value of the amount calculated under **Section b. above** is a credit, BED will carry **that credit** forward to the next billing period (and this credit may be carried over from year to year) [emphasis added]. At any time where the credit to be carried forward to a subsequent billing period equals or exceeds $100, the Customer may request that BED pay the Customer the value of the credit and set the carry forward amount back to $0. BED may, at any time, elect to pay the Customer the value of the credit and set the carry forward amount back to $0. Amounts owed to the Customer pursuant to this Tariff will not accrue interest during any period prior to their being paid to the Customer." The reference to **Section b** is to the solar incentive language. See Attachment B.

[3] Applicable language from Section V. E. (4) of BED's Commission-approved net-metering tariff that was effective as of February 2, 2021: "In the event that the aggregate value of the amount calculated **under (3)** of this subsection above is a credit, BED will carry that credit forward to the next billing period and this credit may be carried over from year to year [emphasis added]. At any time that this credit equals or exceeds $100, the customer may request that BED pay the customer the value of the credit and set the carry forward amount back to $0. BED may, at any time, elect to pay the customer the value of the credit and set the carry forward amount back to $0. Amounts owed to the customer pursuant to this tariff will not accrue interest during any period prior to their being paid to the customer." Section V.E.(3) is the solar incentive provision. See Attachment C.

accumulate solar credits at $0.052265 per kWh for the initial 10-year-period after their solar facility's commissioning date. These customers also accumulate net-metering credits during the ten years immediately following the system's installation at the applicable tail block rate under the residential service ("RS") tariff, which is $0.165088 per kWh, as proposed in Case No. 22-2296-TF and subject to final Commission approval. After this initial ten-year period, BED will provide net-metering credit compensation at BED's blended residential rate, which is $0.142389.

As described above, while BED's tariff currently provides that cash outs and carryovers beyond 12 months will only be provided for solar credit balances, in practice, BED's billing department has been providing cash outs and carryovers for both the solar incentive credit balance and the net-metering credit balance as a whole.

c. Please explain in detail how BED is proposing to calculate the credits under the proposed revisions to subsection V.F.(5)?

BED would propose to restore its cash out and carryover provisions to those applicable under the 2011 Commission-approved tariff such that they apply to both a customer's solar incentive credit balance and net-metering credit balance as a whole. BED will continue to show each of these balances separately on customers' monthly statements.

2. How many customers are currently billed by BED in accordance with section V.F. of BED's net-metering tariff? On what date will BED no longer have any systems receiving credits in accordance with subsection V.F.(5)?

As noted in BED's October 14, 2022, letter in this case, as of September 2022, there were 177 BED pre-existing net-metering systems receiving the credits at that time. As of January 25, 2023, BED was down to 148 pre-existing net metering systems. The latest commissioning date for any of these customers appears to be March 9, 2018 (the permit application for this facility was filed on December 28, 2016) so the provisions of Section V.F.(5) and (6) will have fully expired for all pre-existing net-metering customers by early 2028.

DATED at Burlington, Vermont this 10th day of February 2023.

CITY OF BURLINGTON ELECTRIC
DEPARTMENT

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