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STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.100	

Comments of Vermont Electric Cooperative, Inc.

Vermont Electric Cooperative, Inc. (VEC) has reviewed the Commission's June 5, 2023 Order and the final changes to Rule 5.100 and appreciates the many adaptations the Commission has made to the proposed Rule during the course of the rulemaking process. VEC offers two final comments on the final draft of the rule.

Section 5.108(C) and 5.109(D) – Expansions of Existing Systems

VEC supports the change that would apply current net-metering rates to the entire output of a net-metering system which expands its capacity more than 5 percent or 10 kW, whichever is greater. This will provide clarity, enable small-scale expansion without penalty, and minimize the cost-shift between customers who net-meter and those who do not. Net-metering continues to be a high-cost power resource for VEC, resulting in upward rate pressure. VEC estimated that for 2021, its members paid approximately $2.6 million dollars in above market costs, *i.e.* VEC could have procured the same renewable resources provided by net metering for $2.6 million less.

The exemption included in the rule for smaller expansions covers most of the residential expansions that VEC has seen to date. In applying the current rate to the output of larger expansion projects, VEC believes that the Commission has properly balanced supporting the transition to electrification with limiting electric rate increases.

VEC would like to respond to a comment by Renewable Energy Vermont at the public hearing held on August 10, which suggested that the Commission adopt a weighted average rate to an existing system that expands it capacity. This proposal would impose an administrative burden and further complicate an already complex net metering billing system. VEC has designed the billing system to operate based on the date that the application was filed. The billing system automatically assigns adjustors based on that date (and category and REC allocation). VEC would have to redesign the billing system to implement what would amount to a custom rate for every expanded system. VEC strongly supports the language in section 5.108(C) of the most-recent proposed rule.

Rule 5.127 – Blended Residential Rate

It has become apparent in a recent VEC tariff filing (Case 23-1682-TF), that both the current rule and the proposed rule as written do not achieve the apparent intent that the blended rate be revised to reflect the rate increases. Because the blended rate calculation looks back at the prior calendar year, filing a new blended rate calculation at the same time as a rate increase (or within 15 days after) will not reflect the new rate increase.

VEC suggests that the biennial update is sufficient to take into account rate increases that were implemented between updates. In fact, this is the purpose of the biennial update. VEC recommends that the Commission eliminate the requirement to update the blended rate when a utility files a rate increase.

Thank you for the opportunity to comment.

Dated at Essex, Vermont, this 17th day of August, 2023.

Respectfully submitted,
VERMONT ELECTRIC COOPERATIVE

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