

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.100	
---	--

Order entered: 08/22/2019

REQUEST FOR ADDITIONAL INFORMATION AND DISCUSSION OF NEXT STEPS

I. INTRODUCTION

In today's Order, we request additional information relevant to the review of Vermont Public Utility Commission ("Commission") Rule 5.100, which governs the construction and operation of net-metering systems. We also discuss next steps in this rulemaking.

II. BACKGROUND

In an Order dated April 16, 2019, the Commission opened this proceeding to review Commission Rule 5.100. The Commission directed participants to file written comments by no later than May 17, 2019.

On or before May 17, 2019, the Commission received comments from the Department of Public Service, the Agency of Natural Resources, the Natural Resources Board, the Vermont Association of Planning and Development Agencies, the Two Rivers-Ottawquechee Regional Commission, the Chittenden County Regional Planning Commission, the Northwest Regional Planning Commission, the Southern Windsor Regional Planning Commission, the Town of Hartford, the Springfield Energy Committee, Renewable Energy Vermont, Vermonters for a Clean Environment, Jock Gill, the Sharon Energy Committee, Green Mountain Power Corporation, Vermont Electric Cooperative, Inc., Washington Electric Cooperative, Inc., the Vermont Public Power Supply Authority, Burlington Electric Department, Solaflect Energy, AllEarth Renewables, John Langhus, Peck Solar, and the Vermont Law School Institute for Energy and the Environment. A summary of all of the comments is attached to this Order (Attachment A).

III. DISCUSSION

The Commission received comments from 24 entities and individuals representing State government, the distribution utilities, renewable energy developers, and public interest groups. The comments all recommended that the Commission hold a series of workshops to review potential changes to the rule. Some recommended workshops based on discrete subject areas while others recommended workshops geared towards reviewing iterative drafts of the rule. The comments addressed a wide range of issues, but several common themes emerged: (1) the net-metering compensation structure, (2) issues related to “preferred sites” and siting standards generally, and (3) administrative issues, including how the Commission processes applications for certificates of public good.

We agree that a series of workshops should be held to discuss the net-metering rule. We are issuing information requests before we schedule any workshops to better develop the issues raised in the comments.

A. Net-Metering Compensation Structure

Vermont law requires that the Commission develop a net-metering rule that, in addition to supporting Vermont’s renewable energy policies and greenhouse gas reduction goals, “accounts for all costs and benefits of net-metering” and “to the extent feasible ensures that net metering does not shift costs . . . between net-metering customers and other customers.”¹ The rule is also supposed to allow for access to the net-metering program for all customers who want to participate, balance the pace of deployment with the effect of the program on rates, and allow customers to retain ownership of renewable attributes.²

The comments raised questions about whether the net-metering compensation structure is meeting these goals. For example, Washington Electric Cooperative Inc. (“WEC”) estimated that net-metering has increased its retail rates by as much as 3.49%. However, the Commission needs more detailed information about the current costs and benefits of net metering, whether the current net-metering compensation system is creating a cost shift, and about the effect of the program on rates before the Commission can decide whether to amend the net-metering rule’s compensation structure.

¹ 30 V.S.A. § 8010(c)(1)(A)-(H).

² *Id.*

The following information requests are intended to focus the discussion of net-metering compensation with facts and analysis, as opposed to generalized assertions. We request that respondents explain and substantiate their responses as if they were filing testimony and identify the sources of all information presented.³

The first information requests are directed to the electric distribution utilities, which must respond to this information request pursuant to 30 V.S.A. §§ 8 and 209.

1. Is the current net-metering compensation⁴ system causing a cost shift between customers who net-meter and those who do not? Please quantify this cost shift and provide all calculations supporting your response.
2. Please quantify the effect of current net-metering compensation on your retail rates. Please provide all calculations and information supporting your response.
3. If current net-metering compensation is having a significant effect on retail rates, please describe how compensation should be changed so that the net-metering program does not have a significant effect on retail rates.
4. Please state the amount of new net-metering capacity the utility will need to meet Vermont's Renewable Energy Standard in total and on average per year.

The following information requests are directed to all stakeholders.

5. Please identify all the benefits that net-metering provides (for example, energy, capacity, reduced regional network service charges, etc.).
6. For each benefit identified, please state whether the value of the benefit accrues to the net-metering customer, ratepayers, the utility, or society in general.
7. For each benefit, please describe how the Commission should estimate the value of that benefit. Please identify what data sources the Commission should use to make such estimates. If you have an estimate of the value of a particular benefit, please provide the estimate, along with supporting documentation showing how the estimate was derived.

³ We are not using contested-case procedures in this rulemaking.

⁴ This means the net-metering compensation set in the Commission's Order of May 1, 2018, in case number 18-0086-INV.

8. When estimating the value of the benefits of net-metering, what time horizon should the Commission consider? Why?
9. Please identify all costs of net-metering. Please describe how the Commission should account for these costs so that they can be compared to the benefits of net metering.
10. For each cost, please identify who pays the cost (ratepayers, the utility, society).
11. Please compare the benefits of net-metering to the cost of net-metering under the current net-metering rule.
12. If the current net-metering compensation system does not balance the costs and benefits of net-metering, please describe how the compensation system could be changed to better balance costs and benefits.
13. Would using time-of-use retail rates to set net-metering compensation better align the costs and benefits of net-metering? Should the Commission require net-metering customers to be on time-of-use rates?
14. Should the Commission allow utilities that provide their customers 100% renewable energy to propose alternative net-metering tariffs? If so, what minimum requirements should the Commission adopt for such tariffs?
15. Should the Commission adopt a limit on the amount of new net-metering resources? If so, how should the Commission determine the amount?

B. Preferred sites

The Commission proposed to remove joint letters of support from the definition of “preferred site” for two reasons. First, we have heard concerns about whether the current regulation fails to provide standards or criteria for regional and local bodies to apply when determining whether a site is “preferred.” The second reason is that Rule 5.103 did not provide any procedures for local bodies to follow before designating a site as preferred. The Commission wants to ensure adequate notice and opportunity for input from the public.

We request additional comment on the specific topics identified below. We will schedule a workshop to discuss these issues at a future date.

16. What standards or criteria should regional and local bodies apply to determine whether a site should be designated as “preferred”?
17. Which entity should be responsible for making a determination that a preferred site meets the applicable standards and criteria? Should it be the local planning body, the regional planning body, or the local legislative body? Or all three?
18. What procedures should regional and local bodies follow before designating a site as preferred? Should notice be provided to adjoining landowners and the public before this decision is rendered?
19. What information should applicants be required to provide to regional and local bodies before a site is designated as preferred?
20. Should a local determination that a site is or is not a preferred site be subject to review by the Commission? If so, what procedures should the Commission use to review such determinations?

C. Administrative Issues

The Commission is seeking to streamline the net-metering registration/interconnection process and to reduce the need for amendments to net-metering registrations. Attached to this order is a worksheet (Attachment B) with questions related to the fields contained in the net-metering registration form. The goal is to determine whether the form is collecting necessary information and whether any fields should be altered, added, or removed.

IV. NEXT STEPS

Responses to the information requests must be filed by October 18, 2019. Reply comments may be filed by November 1, 2019. After we have reviewed the responses, we will determine the next steps in this rulemaking.

V. ORDER

IT IS HEREBY ORDERED that:

1. The electric distribution utilities are directed, pursuant to 30 V.S.A. §§ 8 and 209, to respond to information requests number 1-4 by October 18, 2019.
2. Participants in this proceeding may respond to the information requests in this Order by October 18, 2019.
3. Participants may file reply comments by November 1, 2019.

Dated at Montpelier, Vermont, this 22nd day of August, 2019.



Jake Marren, Staff Attorney



Elizabeth Schilling, Staff Attorney

OFFICE OF THE CLERK

Filed: August 22, 2019

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

PUC Case No. 19-0855-RULE - SERVICE LIST

Bill Bender Solaflect Energy 326 Main Street Suite 4 Norwich, VT 05055 bbender@solaflect.com	(for Solaflect)
Gregory Boulbol Vermont Natural Resources Board 10 Baldwin St. Montpelier, VT 05633 greg.boulbol@vermont.gov	(for Vermont Natural Resources Board)
Victoria J. Brown, Esq. Vermont Electric Cooperative, Inc. 42 Wescom Road Johnson, VT 05656 vbrown@vermontelectric.coop	(for Vermont Electric Cooperative Inc.)
Ellen Burt Town of Stowe Electric Department P.O.Box 190 Stowe, VT 05672 eburt@stoweelectric.com	(for Town of Stowe Electric Department)
Olivia Campbell Andersen Renewable Energy Vermont 33 Court St. Montpelier, VT 05602 olivia@revermont.org	(for Renewable Energy Vermont)
William Coster 1 National Life Drive Davis 2 Montpelier, VT 05620 billy.coster@vermont.gov	(for Vermont Agency of Natural Resources)
Alex DePillis Agency of Agriculture Food & Markets 116 State Street Drawer 20 Montpelier, VT 05620-2901 Alex.DePillis@vermont.gov	(for Vermont Agency of Agriculture, Food and Markets)

Steven R Farman
Vermont Public Power Supply Authority
5195 Waterbury-Stowe rd
Waterbury Center, VT 05766
sfarman@vppsa.com

(for Vermont Public
Power Supply Authority)

Phillip Foy
110 Main Street, Suite 2E
Burlington, VT 05401
phillip@encorerenewableenergy.com

(for Encore Renewable
Energy)

Pete Giese
MHG Solar, LLC
pete@mhgsolar.com

(for MHG Solar, LLC)

Jock Gill
PO Box 3
Peacham, VT 05862
jock@jockgill.com

T. Ryan Haac
70 Horse Farm Road
Sharon, VT 05065
THAACR@gmail.com

(for Sharon Energy
Committee)

John Langhus
Wisdom & Power LLC
517 Union Village Road
Norwich, VT 05055
johnlanghus@gmail.com

David John Mullett, Esq.
aLLEARTH REnewables, Inc.
94 Harvest Lane
Williston, VT 05495
dmullett@allearthrenewables.com

(for ALLEARTH
RENEWABLES, INC.)

Taylor Newton
Northwest Regional Planning Commission
75 Fairfield Street
Saint Albans, VT 05478
tnewton@nrpcvt.com

(for Northwest Regional
Planning Commission)

Jeannie Oliver
Energy Clinic at Vermont Law School
P.O. Box 96
164 Chelsea Street
South Royalton, VT 05068
joliver@vermontlaw.edu

(for Energy Clinic at
Vermont Law School)

Char Osterlund
Springfield Energy Committee
charm@vermontel.net

(for Springfield Energy
Committee)

Nathan Phelps
Vote Solar
101 Summer Street
2nd Floor
Boston, MA 02110
nathan@votesolar.org

(for Vote Solar)

William Powell
Washington Electric Cooperative, Inc.
PO Box 8
East Montpelier, VT 05651
bill.powell@wec.coop

(for Washington Electric
Cooperative Inc.)

Chris Rauscher
595 Market Street, Floor 29
San Francisco, CA 94015
chris.rauscher@sunrun.com

(for Sunrun Inc.)

Matt Rutherford
Town of Stowe Electric Department
P.O. Box 190
56 Old Farm Road
Stowe, VT 05672
mrutherford@stoweelectric.com

(for Town of Stowe
Electric Department)

Annette Smith
Vermonters for a Clean Environment, Inc.
789 Baker Road
Danby, VT 05739
vce@vermontel.net

(for Vermonters for a
Clean Environment, Inc.)

Martha Staskus
Norwich Solar Technologies
15 Railroad Row
Suite 101
White River Junction, VT 05001
staskus@norwichsolar.com

(for Norwich Solar
Technologies)

Melissa Stevens
Green Mountain Power Corporation
2152 Post Road
Rutland, VT 05701
melissa.stevens@greenmountainpower.com

(for Green Mountain
Power Corporation)

Alison Milbury Stone, Esq.
Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609-1001
alison.stone@vermont.gov

(for Vermont Agency of
Agriculture, Food and
Markets)

Michael Sullivan
Town of Hardwick Electric Department
P.O. Box 516
Hardwick, VT 05843
msullivan@hardwickelectric.com

(for Town of Hardwick
Electric Department)

Alexander Wing
Vermont Department of Public Service
112 State Street
Montpelier, VT 05620
alexander.wing@vermont.gov

(for Vermont
Department of Public
Service)