

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 20-2022-INV

Determination of 2021 Energy Efficiency Charge Rates	
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Order entered: 05/13/2021

ORDER APPROVING EFFICIENCY VERMONT'S PROPOSED ENERGY EFFICIENCY CHARGE RATES FOR NET-METERING CUSTOMERS WITHOUT PRODUCTION METERS

I. INTRODUCTION

This case concerns the determination of energy efficiency charge (“EEC”) rates for 2021 pursuant to Vermont Public Utility Commission (“Commission”) Rule 5.300. On November 5, 2020, the Commission issued an order concluding that for electric bills rendered on and after February 1, 2021, there would be no increase in EEC rates from 2020 levels for customers in Efficiency Vermont’s territory.

Beginning July 1, 2021, a new provision in Rule 5.300 will become effective. On that date, net-metering customers’ electric EEC will be determined on their gross electric consumption, meaning the electricity a net-metering customer has consumed from the grid plus the electricity the customer consumed from a net-metering system.¹ Net-metering customers who do not have the equipment necessary for their utility to determine their gross electric consumption may either install the necessary equipment or pay a fixed monthly EEC.

Efficiency Vermont has filed a proposal for the fixed monthly EEC to go into effect beginning with service rendered July 1.² In this Order, we approve Efficiency Vermont’s proposal.

II. PARTICIPANTS’ COMMENTS

Efficiency Vermont Proposal

¹ Rule 5.303(B)(2).

² Efficiency Vermont initially filed its proposal on April 9, 2021. It later revised its calculations to be consistent with the Commission’s November 5, 2020, Order, to update assumptions, and to correct errors.

To calculate the fixed monthly EEC, Efficiency Vermont proposes the following method:

1. $(\text{Annual sum of kWh by customer class}) \div (12 \text{ months}) = \text{Average monthly kWh by customer class.}$
2. $(\text{Average monthly kWh by customer class}) \div (\text{Sum of customers by class}) = \text{Average monthly kWh per customer by class.}$
3. $(\text{Average monthly kWh per customer by class}) \times (\text{2021 EEC rate by class}) = \text{Average fixed monthly fee by customer class.}$

Using this method and utility data on consumption and customer counts, Efficiency Vermont calculated fixed monthly EEC rates by customer class as follows.

Customer Rate Class	Fixed Monthly EEC
Customers without Demand Charges	
Residential	\$6.80
Commercial	\$6.33
Industrial	\$586.49
Customers with Demand Charges	
Commercial	\$85.53
Industrial	\$1,915.71

In addition, Efficiency Vermont notes that customers with demand charges are already being assessed the EEC on the demand portion of their bills because net-metered systems do not offset demand when self-generation does not satisfy the need. Consistent with current utility practice, Efficiency Vermont proposes that the fixed monthly EEC should be established for and applied to only the energy (kWh) portion of the bill for all rate classes, and that the capacity rate continue to be applied.

Department of Public Service

The Department of Public Service supports Efficiency Vermont's proposal and recommends approval by the Commission.

Green Mountain Power

Green Mountain Power Corporation ("GMP") states that Rule 5.303(B)(2) appears to contemplate a fixed monthly EEC that encompasses both energy and demand on an average basis, quoting the following portion of the rule: "The Fixed Monthly EEC shall be determined by rate class and shall be based upon the average statewide monthly consumption and demand for the previous year for the rate class times the Electric EEC rate for the year the rate is being implemented." GMP notes that Efficiency Vermont's proposal to establish and apply the fixed monthly EEC to the energy-only portion of the bill, and to apply the capacity rate consistent with current utility practice, will mean that customers with demand charges will be charged the fixed monthly EEC based on statewide average energy consumption plus the demand portion of the EEC as calculated each month by the utilities for each individual customer. GMP calculated what the fixed monthly EEC would be using both average statewide monthly consumption and demand and states that the result approximates what a typical demand customer would experience under Efficiency Vermont's proposal.

GMP supports Efficiency Vermont's approach as long as the subset of demand-billed customers without production meters are informed that the total EEC charges that will appear on bills will be larger than the energy-only fixed monthly EEC rates proposed by Efficiency Vermont. GMP suggests that, if approved, this should be clearly communicated to customers using the following language. "The listed Fixed Monthly EEC applies to the energy-related portion of Energy Efficiency Charges. For customers also billed based on demand, the EEC kW charges also apply to customer's peak demand for each statement period and this amount will be calculated and charged by the distribution utility and added to the listed Fixed Monthly EEC paid to [Efficiency Vermont.]"

III. Discussion and Conclusion

Beginning July 1, 2021, net-metering customers will be assessed EEC charges based on gross electricity consumption. For those net-metering customers who do not have both a

consumption meter and a production meter, Rule 5.303(B)(2) provides that they will pay a fixed monthly EEC unless they choose to install the necessary equipment for their utility to determine their gross electricity consumption. Under the rule, the fixed monthly EEC “shall be determined by rate class and shall be based upon the average statewide monthly consumption and demand for the previous year for the rate class times the Electric EEC rate for the year the rate is being implemented.”

Efficiency Vermont’s proposed method requires interpreting Rule 5.303(B)(2) as allowing a fixed monthly EEC based only on average energy consumption, and not demand. For demand-billed customers, the proposal would make no changes relative to how net-metering customers are currently assessed the demand portion of the EEC. Based on GMP’s analysis, Efficiency Vermont’s proposal will result in customer outcomes that reasonably approximate those that would result from interpreting the rule as requiring the EEC to be based on demand in addition to average energy consumption. Thus, to the extent a waiver of Rule 5.303(B)(2) is required, we conclude there is good cause for a waiver because customer outcomes will be similar.³


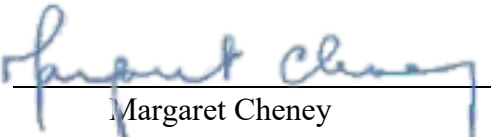

Based on the above, we approve Efficiency Vermont’s proposed method and fixed monthly EEC rates to take effect with service rendered July 1, 2021. Appendix A provides a complete list of the 2021 EEC rates for Efficiency Vermont’s territory that will be in effect as of July 1, 2021, including those approved on November 5, 2020, and the fixed monthly EEC rates for net-metering customers without production meters that we approve today. This Order is the final judgment regarding the fixed monthly EEC rates for all net-metering customers without production meters, except those served by the City of Burlington Electric Department.⁴

SO ORDERED.

³ Commission Rule 2.107 notes that “for other good cause, the Commission may waive the application of rule upon such conditions as it may require, unless precluded by the rule, itself, or by statute.”

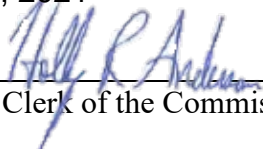
⁴ Commission Rule 2.103 and Vt. R. Civ. P. 54(b).

Dated at Montpelier, Vermont, this 13th day of May, 2021.


_____))
Anthony Z. Roisman) PUBLIC UTILITY
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_____))
Margaret Cheney) COMMISSION
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_____))
Sarah Hofmann) OF VERMONT

OFFICE OF THE CLERK

Filed: May 13, 2021

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)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

Appendix A – 2021 EEC Rates

Effective with service rendered on or after July 1, 2021, the 2021 electric EEC rates shall be as follows for customers of all electric utilities except for the City of Burlington Electric Department:

Rates for Customers Without Demand Charges

Residential	\$0.01188/kWh
Commercial	\$0.01024/kWh
Industrial	\$0.00757/kWh

Rates for Customers with Demand Charges

Commercial demand customers	\$0.00662/kWh plus \$1.13825/kW
Industrial demand customers	\$0.00521/kWh plus \$1.21316/kW

Rates for Unmetered Street and Security Light Customers

\$0.01024/kWh times the nominal wattage of the light times 360 hours per month

Monthly Fixed Fees for Net-metered Customers without Production Meters

Residential	\$6.80 per month
Commercial without demand	\$6.33 per month
Commercial with demand	\$85.53 per month
Industrial without demand	\$586.49 per month
Industrial with demand	\$1,915.71 per month

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