



November 19, 2014

Ms. Susan M. Hudson, Clerk of the Board
 Vermont Public Service Board
 112 State Street
 Montpelier, VT 05620-2701

Re: Act 99 Net Metering Workshop

Dear Mrs. Hudson:

Renewable Energy Vermont (REV) thanks the Public Service Board (PSB) for the opportunity to provide comments regarding the Act 99 net-metering workshop process. We provide our letter in three parts: (1) Overarching Comments, (2) Comments regarding the Public Service Department (PSD) "Evaluation of Net Metering in Vermont Conducted Pursuant to Act 99 of 2014", (3) Suggestions for Procedural Logistics.

Overarching Comments:

REV suggests that the Act 99 workshop process maintain a focus on the goals and statute that provide the vision for Vermont's renewable energy policies. These larger policy goals should be a central focus as we discuss the value and benefits of the net-metering program, for they are the reason we have the net metering program in the first place.

The State of Vermont has multiple goals and legislation enacted to support the development and deployment of in-state distributed generation including a state Comprehensive Energy Plan goal of 90% of Vermont's total energy needs (power, thermal, transportation) to be sourced from renewables by 2050. Other goals, as found in 30 V.S.A. § 8001, include (*italics* are those of REV's):

- ensuring "that to the greatest extent possible the economic benefits of renewable energy in the State flow to the Vermont economy in general, and to the rate paying citizens of the State in particular";
- "supporting development of renewable energy that uses natural resources efficiently and related planned energy industries in Vermont, and the jobs and economic benefits associated with such development";
- "providing an incentive for the state's retail electricity providers to enter into ... energy contracts that mitigate market price fluctuation for Vermonters";
- "developing viable markets for renewable energy";
- "...displacement of those fuels, including fossil fuels, which are known to emit or discharge pollutants";
- "Contributing to reductions in global climate change";
- "Providing support and incentives to locate renewable energy plants

- of small and moderate size in a manner
- that is distributed across the State's electric grid,
- including locating such plants in areas that will provide benefit to the operation and management of that grid through such means as reducing line losses and addressing transmission and distribution constraints”;
- “Promoting the inclusion, in Vermont's electric supply portfolio, of renewable energy plants that are diverse in plant capacity and type of renewable energy technology.

If we are to meet Vermont’s Comprehensive Energy Goals and the statutory requirements provided above, we will need significantly more distributed generation through net-metering. These larger policy goals are the larger policy framework which the Department, stakeholders and the Board should consider throughout the net-metering workshop process. REV’s perspective on the energy landscape is that we will see electricity provide for considerably more of our energy needs for transportation and thermal purposes. It is clear – not just in Vermont but across the nation – that the traditional roles of generation provider and power distributor are changing shape and blurring, with likely changes in how we charge and pay for power generation, distribution and generation. REV cautions against having this net-metering process focus on costs and benefits and “lost revenue” from a more traditional perspective of the role of utility, developer, ratepayer and generators, as the outcome may not be aligned with the future energy landscape.

Lastly, given that more change will be coming to the energy field and that we cannot be sure how that may ultimately result, we ask that the Board ensure that the Act 99 workshop process focus on an end result that the 2017 net-metering program be successful and effective for all Vermonters.

Comments regarding the Public Service Department (PSD) “Evaluation of Net Metering in Vermont Conducted Pursuant to Act 99 of 2014”

REV agrees with the Department’s comments that the draft report that was filed on November 7th, 2014, is a place to “start the dialog expected to take place via the upcoming Public Service Board process.” As described in the report, the Department has not held any meeting for stakeholders to vet the updated structure and assumptions in the cost benefit model. Due to the breadth and complexity of the topics described in the report and associated cost benefit model, REV would like to reserve detailed comments on the report until a series of workshops can be held which would address the subtopics of the report.

One overarching comment that REV members have articulated is that the report focused significantly on a cost-benefit analysis under the Section 3, Existence and degree of cross-subsidy. While this is an important criteria under 30 V.S.A. § 8010 (d), it is one of nine criteria which the Department was tasked to report on. While REV understands that many of these criteria are intertwined and are incorporated into the cost-benefit analysis under the cross-subsidy section, much of the detail on the benefits of net metering are lost in an analysis that is focused on cost to non-participating rate payers

due to net metering. REV feels strongly, that each of the criteria under 30 V.S.A. § 8010 (d) need to be considered in detail and that a series of workshops will be the most effective way to move forward.

Suggestions for Procedural Logistics

REV suggests the following:

1. Four workshops could be held, with focus areas as follows:
 - (a) a review of how different policy determinations will have different deployment impacts and results with a focus on 30 V.S.A. § 8010 (d) Criteria 1, 2 and 9;
 - (b) a more in-depth review of the societal and environmental benefits of the net-metering program with a focus on 30 V.S.A. § 8010 (d) Criteria 6 and 8;
 - (c) a review of the avoided cost rate and a more in-depth review of the technical benefits resulting from net-metering (risk premiums, grid resiliency, non-transmission alternatives, etc.) with a focus on 30 V.S.A. § 8010 (d) Criteria 3, 4, 5, and 7; and,
 - (d) a review of general issues related to net-metering (e.g. technical areas such as interconnection requirements, policy issues such as adjacent solar projects, etc.)
2. Timing:
 - a. Workshops to be held prior to the first draft Rule
 - b. First draft Rule provided in mid-summer/early August
 - c. Comments in September
 - d. Reply Comments in October
 - e. Final Draft Rule by early November
3. While REV suggests the above approach, we are mindful that there must be enough time to allow for due process, so that the PSB receives as solid and factual information as possible.

In sum, we have statute and goals that promote significant distributed generation. We also know that many aspects of how energy is provided will be changing considerably, though there remains uncertainty as to the details of those changes. Therefore, REV urges that the focus of this workshop process be on how best to aggressively deploy distributed generation in the 2017-2020 period to help put Vermont on track to ensure that we meet our statutory requirements and the Vermont Energy Goal of 90% by 2050.

Thank you for the opportunity to provide comments regarding this critical renewable energy program

Sincerely,



Gabrielle Stebbins
Executive Director