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HAND DELIVERED

Judith C. Whitney, Clerk
Vermont Public Service Board
112 State Street – Drawer 20
Montpelier, VT 05620-2701

Re: *Revised net-metering rule pursuant to Act 99 of 2014—Burlington Electric Department's Compliance Filing*

Dear Judy:

The Board's *Order on Reconsideration* in the above-referenced matter dated August 29, 2016, as corrected by Memorandum dated September 27, 2016, requires all Vermont electric utilities to file for Board approval a rate schedule to implement Vermont's revised net-metering program to take effect January 1, 2017. Such rate schedules are to be filed no later than October 15, 2016. In fulfillment of this requirement and pursuant to Board Rule 2.401, enclosed please find an original and nine (9) copies of City of Burlington Electric Department's *Self-Generation and Net Metering Tariff* dated October 15, 2016, with a proposed effective date of January 1, 2017.

Please let us know whether the Board requires any additional information to process this tariff filing for approval. Thank you for your assistance.

Very truly yours,



William F. Ellis

WFE

Enclosure

cc: Geoffrey Commons, Director for Public Advocacy
Asa Hopkins, Director for Regulated Utility Planning
James L. Gibbons, BED Director of Policy and Planning



SELF-GENERATION AND NET-METERING TARIFF ("NM")

A. Availability

All Burlington Electric Department (BED, electric company) Customers taking service under BED's Retail Tariffs, who elect to install net-metered renewable energy sources, shall be entitled to receive compensation for their net-metering generation, as set forth below.

B. Character of Service

For Customer usage in excess of the net-metered renewable energy source generation, service will be alternating current at 60 Hertz, at the standard utilization voltage for the Customer absent the net-metering installation.

C. Monthly Bill (Credit)

Customers taking service under this Tariff shall have their bills calculated dependent on which of following category(ies) apply: *Pre-Existing Net-Metering Systems; Individual Net-Metering Systems; Group Net-Metering Systems (Consumption Offsetting), and Group Net-Metering (Direct Connect)*.

Pre-Existing Net-Metering Systems

Except as specifically provided in this section, measurement and billing for Pre-Existing Net-Metering Systems will follow the procedures laid out below under Sections **III. Individual Net-Metering Systems, IV. Group Net-Metering Systems (Consumption Offsetting), and V. Group Net-Metering Systems (Direct Connect)**.

- I. Eligibility. A Pre-Existing Net-Metering System must:
- a. Have a complete CPG application filed with the Board prior to January 1, 2017.
 - b. Not undergo a major amendment, as defined by Rule 5.103, after January 1, 2017. Minor amendments, as defined by PSB Rule 5.103, shall not affect a net-metering system's status as Pre-Existing.
 - c. Pre-existing net-metering systems are not subject to any Adjustor (Siting Adjustor or Renewable Energy Credit Adjustor) under this Tariff.
 - d. Any tradable Renewable Energy Credits created by pre-existing net-metering systems will continue to be either retained by the Customer or transferred to BED per the election made by the applicant at the time of application for its CPG. For CPG applications filed prior to the time when such election was available, tradable RECs are retained by the Customer.

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- II. Customers using pre-existing net-metering systems shall have their bills based on the following rates;
- a. For an initial period of 10 years from the date of the net-metering system's Commissioning (as defined by PSB Rule 5.103), receive the compensation provided for in 30 V.S.A. §219a(h)(1)(K), as the statute existed on December 31, 2016, or as described in Section b., below, if the system was commissioned when the BED Net-Metering Renewable Energy Source Rider was in effect.
 - b. Within this initial 10 year period stated above, BED will pay the Customer (over and above any amounts or credits to which the Customer would be otherwise entitled pursuant to Vermont Statute and applicable Vermont Public Service Board Rule) based on the type of renewable energy source installed on the Customer premises. Types of renewable energy sources not listed below will not qualify for payments pursuant to this Tariff.
 - i. Net-Metered Photovoltaic Generation
 1. All Customers \$0.052265 *per kilowatt hour generated*
 - ii. 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). 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.
 - iii. All other Customer amounts, such as deposits, which are normally based on dollars billed and/or metered values, will be based on the unmodified readings of the net-metered load and the bills that would have applied under standard net-metering treatment
 - iv. For the initial 10-year period from the date of commissioning, a Customer using that net-metering system may apply any accrued net-metering credits to any charge irrespective of whether that charge is a non-bypassable charge. At

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the expiration of these initial 10 years, net-metered credits may no longer apply to non-bypassable charges.

- c. At the end of this 10-year period, for an additional 10 years, such Customers using pre-existing net-metering systems shall be credited for excess generation at the Blended Residential Rate, as defined in Public Service Board Rule 5.103.

Individual Net-Metering Systems

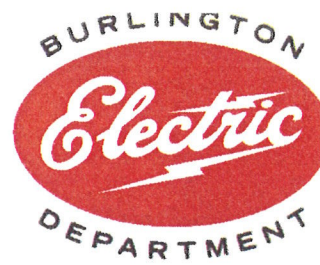
- III. For Customers who elect to wire net-metering systems such that they offset consumption on the billing meter, the billing meter establishes billing determinants for the Customer's bill based on the rate schedule for the Customer.
 - a. If electricity consumed by the Customer exceeds the electricity produced by the net-metering system, the Customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Credits may not be applied to non-bypassable charges.
 - b. If the electricity produced by the net-metering system exceeds the electricity consumed, the excess generation will receive a bill credit with a value explained in Section VI(a) below.
 - c. Any zero, positive or negative Siting or REC Adjustor set forth in the net-metering facility's CPG shall be multiplied by the kWh from the production meter and applied to the bill as a credit or charge.
 - d. If credits remain after being applied to all charges not identified in an electric company's tariff as non-bypassable charges, such credits will be carried forward on Customer bills. BED shall apply monetized credits from previous billing periods using credits that credits that are scheduled to expire soonest first. Any accumulated bill credit must be used within 12 months from the month it was earned, or it reverts to BED without compensation to the net-metering Customer. Bill credits may not be transferred independently of a transfer of ownership of a net-metering system.

Group Net-Metering Systems (Consumption Offsetting)

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- IV. For group net-metering Customers who elect to wire net-metering systems such that they offset consumption on the billing meter, the billing meter establishes billing determinants for the Customer's bill based on the rate schedule for the Customer.
- a. If electricity consumed by the Customer exceeds the electricity produced by the net-metering system, the Customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Credits may not be applied to non-bypassable charges.
 - b. If the electricity produced by the net-metering system exceeds the electricity consumed, the excess generation in kWh allocated to group members must be based on percentages. Allocated kWh are monetized at the applicable blended residential rate explained in Section VI(a) below.
 - c. Any zero, positive or negative Siting or REC Adjustor set forth in the net-metering facility's CPG is multiplied by the kWh from the production meter, allocated to the group members and applied to the bill as a credit or charge.
 - d. If credits remain on group members' bills after being applied to all charges not identified in an electric company's tariff as non-bypassable charges, such credits will be tracked, applied, or carried forward on group member bills. These credits will be handled as described in Section III(d) above.

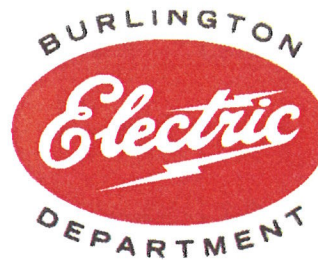
Group Net-Metering Systems (Direct Connect)

- V. For group net-metering Customers who elect to wire net-metering systems such that the generation is directly connected to the utility grid and does not also offset any Customer's billing meter, the electricity produced by the net-metering system must be allocated to the individual or group members and monetized at the applicable rate determined in Section VI(a) below. The monetized credit applies to all charges on the bill, excluding non-bypassable charges.
- a. Any zero, positive or negative Siting or REC Adjustor set forth in the net-metering facility's CPG is multiplied by the kWh from the production meter, allocated to the group members, and applied to the bills as credits or charges.

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- b. If credits remain on group members' bills after being applied to all charges on the bills not identified as non-bypassable charges in an electric company's tariff, such credits will be tracked, applied, or carried forward on group member bills. These credits will be handled as described in Section III(d) above.
- c. Individual Customers who elect to wire net-metering systems such that the generation is directly connected to the utility grid will be treated as a group net-metering Customer with 100% allocation of the output.

Monthly Bill

VI. Determination of Applicable Rates and Adjustors:

- a. The value of net-metering will be determined by Blended Residential Rate (see Section F. Definitions) modified as follows:
- b. The applicable REC Adjustor for a Net-Metering System is determined as follows:
 - i. The REC Adjustor will be as set forth in the net-metering facility's certificate of public good.
 - ii. A zero or positive REC Adjustor applies for a period of 10 years from the date the system is commissioned; a negative REC Adjustor applies in perpetuity.
- c. The applicable Siting Adjustor for a Net-Metering System is determined as follows:
 - i. The Siting Adjustor will be as set forth in the net-metering facility's certificate of public good.
 - ii. A zero or positive Siting Adjustor applies for a period of 10 years from the date the system is commissioned; a negative Siting Adjustor applies in perpetuity.

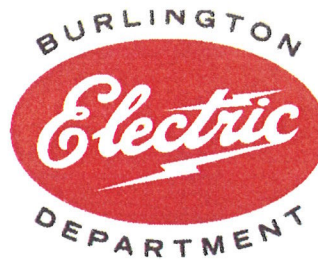
D. Terms & Conditions (*Applicable to All Net-Metering Customers*)

- I. Customer must apply for, receive, and continue to hold a certificate of public good for the installation of a net-metered renewable energy source, pursuant to Vermont statute and applicable Vermont Public Service Board Rules governing net-metered systems prior to

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interconnecting the renewable energy source to BED's system or on any portion of the Customer's system that is itself connected with BED's system.

- II. Except as provided above, net-metered consumption at the premises will be billed according to Vermont Statute, applicable Vermont Public Board Service Rules and the BED Tariff for retail service applicable to the Customer.
- III. Customer must interconnect the renewable energy resource with the BED electrical system in accordance with all requirements of Vermont Statutes, applicable Vermont Public Service Board Rules and applicable BED interconnection standards governing the interconnection of net-metered systems.
- IV. For non-Pre-Existing Systems, Customer must pay the equipment and installation cost of BED approved and supplied metering to record the gross output of the generation from the renewable energy source (a "Generation Meter").
- V. Any Generation Meter must be installed in accordance with BED standards and shall remain BED property. In the event that the meter requires replacement due to failure/damage, the Customer shall bear the cost of replacement. The meter shall be accessible to BED at all times and shall not be removed or otherwise disturbed during the period that the Customer elects service under this Tariff.
- VI. All installations shall be subject to emergency disconnection in situations including but not limited to the avoidance of disruption of service to BED's Customers or in the event the installation poses a danger to life or property.
- VII. BED may, in accordance with Vermont Statute and applicable Vermont Public Service Board Rules, file for a change in this Tariff.
- VIII. Customer, and any persons performing work on behalf of Customer, must agree to indemnify and hold BED harmless for any damages or claims arising from the installation, interconnection, or operation of the renewable energy source, except for such damages or claims whose sole proximate cause is due to negligence by BED.
- IX. An existing Customer may only have more than 500 kW of net-metering systems attributed to the Customer if these net-metering arrangements were requested prior to January 1, 2017. A net-metering installation in excess of 500 kW in a single location is not available.

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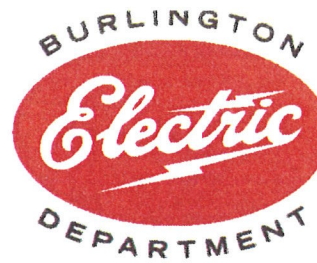
E. Additional Terms & Conditions Applicable to Group Net-Metering Systems

VII. Group Net-Metering: Billing Standards and Procedures:

- a. Individual Customer accounts may be enrolled in only one net-metering group at a time. Customers with multiple accounts may enroll each account in a separate net-metering group.
 - b. The cumulative capacity of net-metering systems allocated to a single Customer may not exceed 500 kW unless these net-metering arrangements were requested prior to January 1, 2017. For example, a Customer who has two accounts cannot have each account allocated more than 50 percent of the output from two 500 kW net-metering systems because the cumulative capacity of the allocated share of those net-metering systems would exceed 500 kW.
 - c. Groups may, subject to Board approval, have more than one net-metering system attributed to a group and may increase the capacity of existing generation attributed to the group. However, the cumulative capacity of net-metering systems attributed to a group may not exceed 500 kW.
 - d. Where the Customer has, at its own expense, provided a separate meter for measuring production, the kWh produced by a net-metering system may be allocated to the accounts of a single Customer or the accounts of group members. Where there is no separate production meter, only the excess generation may be allocated to accounts belonging to a single Customer or to the accounts of members of a group.
 - e. For each group member's Customer account, the electric company will bill that group member directly and send directly to that group member all communications related to billing, payment, and disconnection of that group member's Customer account. Any volumetric charges for any account so billed will be based on the individual meter for the account.
- X. In addition to any other requirements in 30 V.S.A. §§ 248 and 8010, and in any applicable Vermont Public Service Board Rules, before a group system may be formed and served by an electric company, the group must file the following information with BED:
- a. The meters to be included in the group system, which must be located within BED's service territory;

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- b. A process for adding and removing meters in the group and an allocation of any credits among the members of the group. This allocation arrangement may be changed only on written notice to BED by the person designated under 5.129(A)(3), and any such change may only apply on a prospective basis;
 - c. The name and contact information for a designated person who is responsible for all communications from the group system to BED, except for communications related to billing, payment, and disconnection; and
 - d. A binding process for resolving any disputes among the members of a group relating to the net-metering system. This dispute resolution process may not in any way require the involvement of BED, the Vermont Public Service Board, or the Vermont Department of Public Service. This process does not apply to disputes between BED and individual group members regarding billing, payment, or disconnection.
- VIII. BED will implement appropriate changes to a net-metering group within 30 days after receiving written notification of such changes from the person designated under subsection 5.129(A)(3). Written notification of a change in the person designated under subsection 5.129(A)(3) is effective upon receipt by BED. BED shall not be held liable for the consequences from actions based on such notification.

F. Definitions

“Adjustor” means a positive or negative charge applied to production kWh based on factors related to site selection (Site Adjustor) and retention of tradeable renewable energy credits (REC Adjustor)

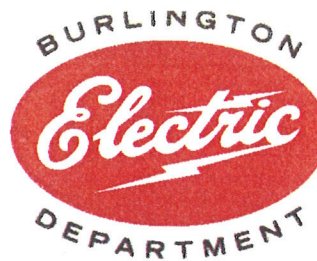
“Amendment” means one or more of the following changes to the physical plans or design of a net-metering system. An amendment is either “major” or “minor”:

The following changes constitute a “major” amendment:

- a. increasing the nameplate capacity of the net-metering system by more than 5% or reducing the nameplate capacity of the net-metering system by more than 60%;
- b. moving the limits of disturbance by more than 50 feet;
- c. changing the fuel source of the net-metering system; or
- d. any other change that the Board, in its discretion, determines is likely to have a significant impact under one or more of the criteria of Section 248 applicable to the net-metering system.

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The following changes constitute a "minor" amendment:

- a. proposing additional aesthetic mitigation; or
- b. any other change to the physical plans or design of the system that is not a major amendment.

"Blended Residential Rate" means the lesser of either:

1. For electric companies whose general residential service tariff does not include inclining block rates, the \$/kWh charge set forth in that electric company's tariff for general residential service;
2. For electric companies whose general residential service tariff does include inclining block rates, a blend of the electric company's general residential service inclining block rates that is determined by adding together all of the revenues to the company during the most recent calendar year from kWh sold under those block rates and dividing the sum by the total kWh sold by the company at those rates during the same year; or
3. The weighted statewide average of all electric company blended residential retail rates, as determined by the Board, whichever is lower.'

"Commissioned" or "Commissioning" means the first time a plant is put into operation following the initial construction of the plant

"Customer" means a retail electric consumer.

"Excess Generation" means the number of kWh produced by a Customer's net-metering system in excess of the kWh delivered by the electric company to the Customer during a billing period. Excess generation also means the kWh allocated to a member of a net-metering group that exceed that group member's individual kWh consumption for that billing period.

"Group Net-Metering" means a net-metering system serving more than one Customer, or a single Customer with a net-metering resource that is directly connected to the utility grid, located within the service area of the same retail electricity provider, where the Customers have elected to share monetized excess generation credits created by a net metered system defined as a facility for generation of electricity that is no more than 500 kW of capacity; operated in parallel with facilities of the Electric Company's distribution system; is intended primarily to offset part or all of the group net metering system member's own electricity requirements and employs a renewable energy source as defined in Vermont Public Service Board Rule 5.100.

"Inclining Block Rate" means a rate structure where an electric company charges a higher rate for each incremental block of electricity consumption.

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"Production Meter" means an electric meter that measures the amount of kWh produced by a net-metering system.

"Tradable Renewable Energy Credit or REC" means all of the environmental attributes associated with a single unit of energy generated by a renewable energy source.

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