

# Explanation of the Impacts of the VT Department of Public Service's Recommended Cuts to Net Metering

Peter Sterling  
Renewable Energy Vermont  
April 6th, 2026

Last week, the Public Service Dept released its recommendations to the Public Utility Commission for an update of Net Metering rates to take effect this summer.

PSD offered the PUC two options with their preferred option calling for:

- ▶ PUC undertaking rulemaking to dramatically revamp net metering
- ▶ For the first time ever no increase to the Blended Rate.

**This will have a serious negative financial impact on the compensation schools, municipalities and enrollees in Community Solar receive**

- ▶ No new negative adjustors that decrease the value of solar consumed on site within the month

### Sample Losses if Blended Rate is Frozen at 2024 Levels

Project Type	Install Date	Size (kW)	Lost Revenue 2026 - 2028
Off-site Net Metering - School District	2020	500	\$32,000
Residential Net Metering	2024	10	\$386

A customer receives two separate rates each month on their bill for net metering solar power:

1. Credits for power **used within the month**

- Retail rate minus adjustors
- The retail rate is whatever a utility is charging you

2. Credits for power generated in **excess of what was used within the month**

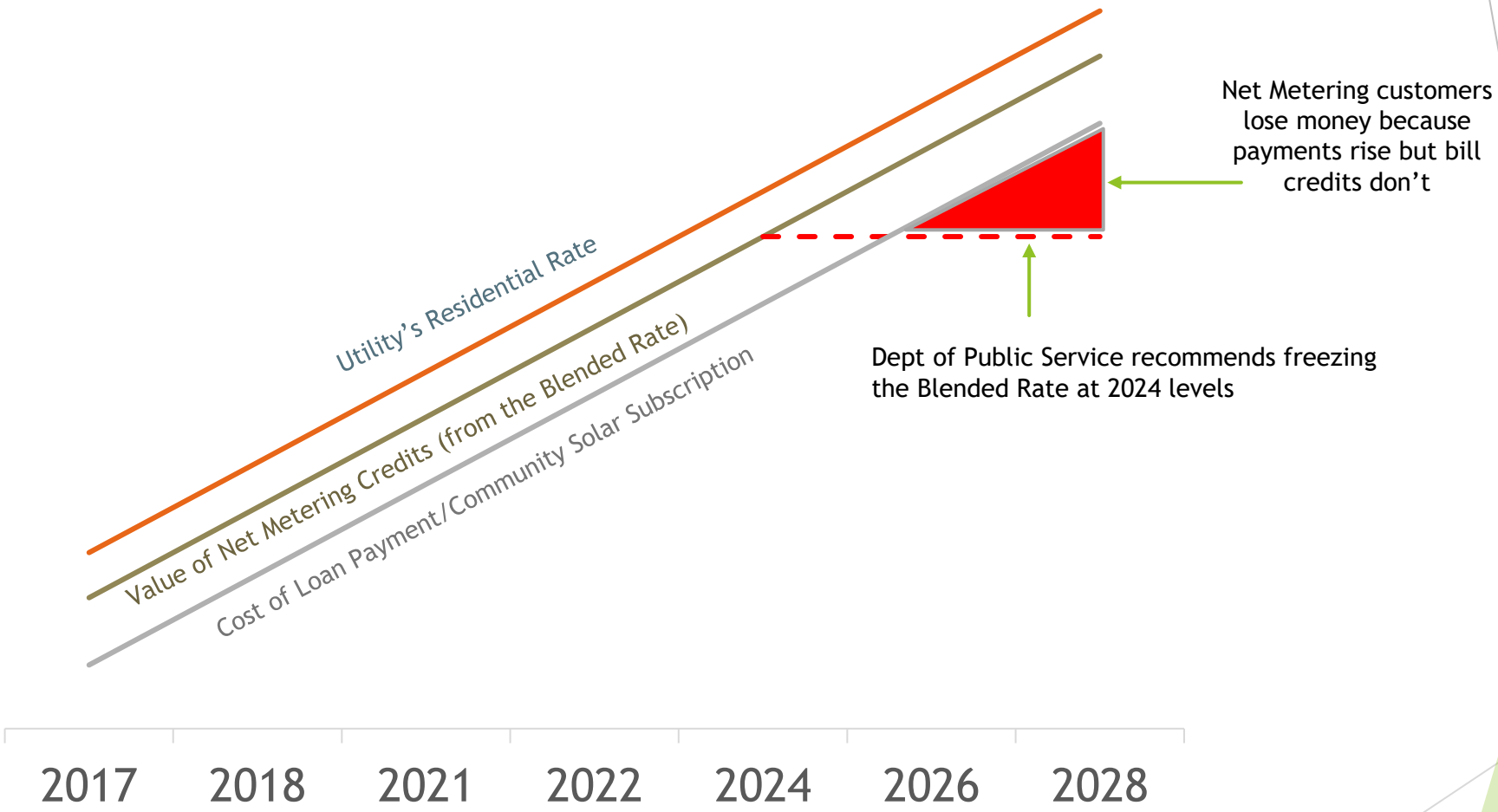
- Blended rate minus adjustors
- Blended rate is set every two years by a formula in statute and increases as utility rates increase

Absent Legislative action, a completed rulemaking process, or extremely unusual external factors such as a global pandemic, Vermonters have a reasonable expectation that the blended rate will be updated every two years, as described in PUC Rule 5.100.

Vermont families, businesses, schools, and municipalities invest in net metering with the expectation that it will insulate them from uncertain and rising electric rates.

**Failure to raise the blend rates as described in the net metering rule unfairly subverts these expectations and imposes significant financial hardship on Vermonters who net meter.**

# Relationship Between Utility Rates, Net Metering Costs, and Net Metering Credits



REV estimates freezing the blended rate would cause a loss of NM credits from 2026-2028:

- \$30,000 for a 500kW municipal array
- \$400 for a typical homeowner