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Public Utility Commission's Latest Cut to Net Metering Compensation Will Curb Climate Action, Clean Energy Jobs and the Strategic Siting of Solar

Montpelier, VT – Late last week, the Vermont Public Utility Commission issued a decision that cuts the compensation rate for small-scale solar net metering significantly, undercutting one of the most successful programs at a moment when Vermonters are facing significant barriers to solar investment, including high interest rates.

Net metering is currently the only state procurement program supporting renewable energy deployment and has been incredibly successful, empowering 20,000 Vermont families and businesses to go solar. Many of the projects are built on-site, providing power that is used where it is generated, in real-time. This “behind the meter” usage reduces electricity demand, reduces line loss as electricity travels across the grid, and can prevent the need for grid upgrades. Building these projects also provides good-paying jobs in every county in Vermont.

“In the wake of historic flooding, record-setting winter storm recovery costs, and diminished air quality, Thursday’s decision by the Public Utility Commission to make it more expensive for Vermonters to invest in renewable energy is particularly out of touch with the plight of Vermonters – and this particular moment in time,” said **Peter Sterling, Executive Director of Renewable Energy Vermont**. “The PUC’s recent decision flies in the face of the broad popular and legislative support for net metering, ignores the unique benefits it provides by incentivizing renewables in the built environment and fails to appreciate the unparalleled money-saving opportunity of the Inflation Reduction Act.”

"Net metering has been the best way to allow everyday Vermonters to afford solar on

their own homes and businesses. The continued downgrading of net metering rates limits solar options for Vermonters who do need to consider affordability,” according to **Ben Gordesky of the 350VT Electricity Policy Working Group.**

By cutting the compensation that Vermonters receive when they net meter for the 7th time since 2017, the PUC is slowing the deployment of distributed renewable energy; all while the climate crisis accelerates and well-paying solar jobs wane. This decision, recommended by the Scott Administration’s Public Service Department, will only accelerate the erosion of the net metering program which has already seen a 62% drop in permit applications since 2018.

“The PUC's decision continues the slow erosion of Vermont's net metering program. If we are serious about protecting Vermonters’ ability to generate their own power, the Legislature may need to step in. Left to its own devices the PUC seems fine presiding over this critical program slowly withering before our eyes,” said **Ben Edgerly Walsh, Climate and Energy Program Director for VPIRG.**

“The timing of this decision – and the ramifications of it at this unique moment – is unfortunate,” said **Johanna Miller, energy and climate program director at the Vermont Natural Resources Council.** “The Inflation Reduction Act is just ramping up, offering unparalleled opportunities to help more Vermonters invest in solar in some of the best places to site it – where people live and use energy.”

Net metering enjoys broad popular support as evidenced by the [more than 50 Vermont House members](#) who recently urged the PUC to reject the Public Service Department’s proposed cuts to net metering compensation. Unfortunately, the PUC’s singular focus on the cost of net metering relative to other, larger-scale forms of solar development, creates a false competition between these sources of renewable power. The PUC’s logic – followed to its ultimate conclusion – could result in the end of net metering in Vermont and a drastic curtailment in the construction of solar where we should prioritize building it: In the built environment.

"The Public Utilities Commission’s cut to the net metering program is a step in the wrong direction if Vermont wants to encourage rooftop solar. The PUC should do better aligning Vermont's policies to make it more financially achievable for everyday Vermonters to install solar." **Robb Kidd, Sierra Club Vermont Conservation Program Manager**

The reality is that Vermont needs a wide variety of renewables on multiple scales to achieve a 100% renewable energy future. This recent decision fails to recognize that Vermonters want to see solar in the built environment and threatens the long-term viability of Vermont's most successful, small-scale, strategically sited solar program.

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