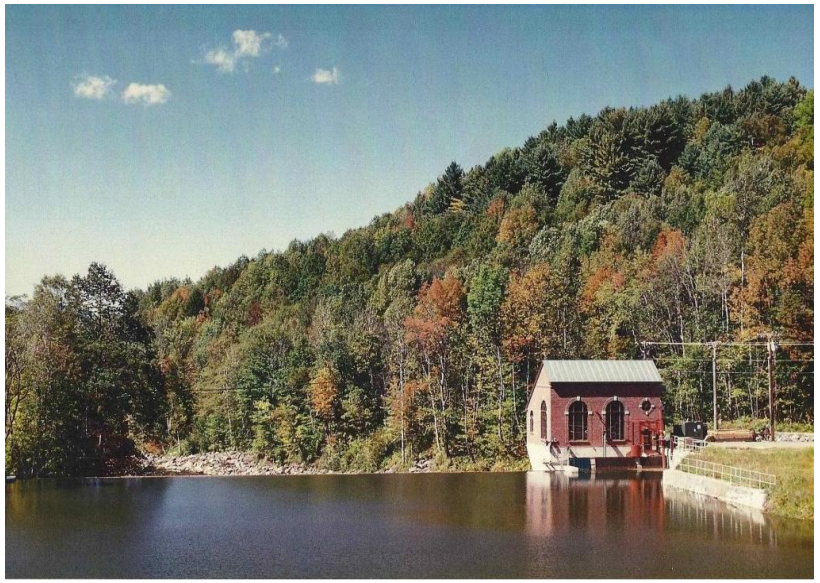
# REV 2026 Legislative Agenda Webinar

Agenda:

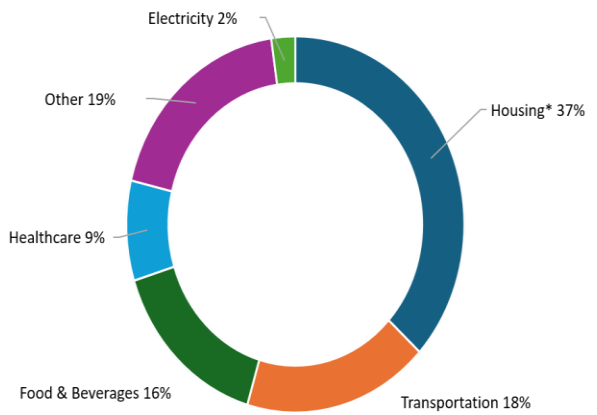
- ✓ Protect Net Metering
- ✓ Promote the Co-location of Solar Projects
- ✓ Energy Storage Requirements
- ✓ More Precise REC Accounting to Deepen Decarbonization of the Electric Grid



# 2026 Legislative Session Overview

- 2026 is the second year of the bi-ennium and an election year
- School financing, the budget, health care costs, affordable housing are the priority issues
- We have two great climate champions as Energy Committee Chairs: Rep Kath James and Sen Anne Watson, the best pair of chairs for renewables/climate in many years
- To preserve the integrity of the Renewable Energy Standard and continue to make progress on climate, we must be ready to talk about the affordability of our electricity
- REV has a lot of info on what's driving rate increases at www.revermont.org/energy-affordability/ (hint: it's not renewables!)

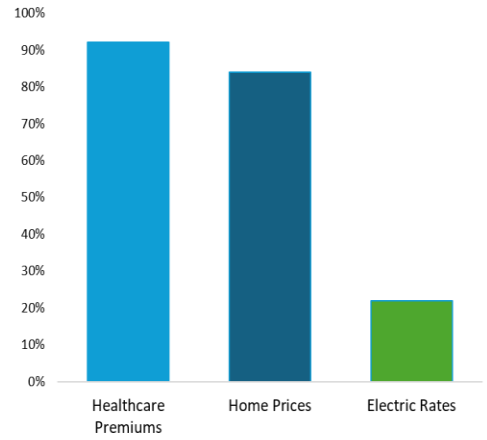
Electricity is Just 2% of Average Household Spending in the Northeast




*Housing includes non-electric utilities.

Source: BLS Consumer Expenditure Survey – 2022-23

Vermont Price Increases 2018 - 2024




Sources: VTHC911, St. Louis Fed, ERS, EIA

# The Trump Administration and Congress End Federal Support for Purchasing Residential Solar (Net Metering)

- The federal reconciliation bill terminated the 30% tax credit for residential solar purchases, previously scheduled to run through 2032
- The credit now expires on December 31st, 2025, making home solar unaffordable for many Vermonters.
- Simultaneously, the EPA has withdrawn $62 million in Solar for All funding designated to help low-income Vermonters go solar.
- **Vermont needs to respond to ensure Vermonters can go solar at home.**

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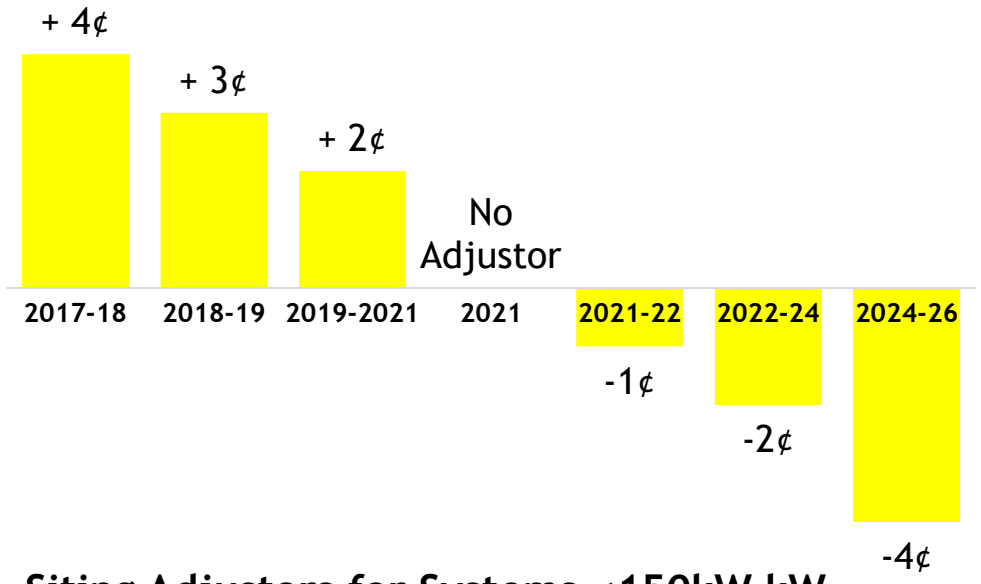
# The PUC Has Steadily Reduced Net Metering Compensation Since 2017

- Net metering compensation is based on residential electric rates as well as REC and siting "adjustors" set by the PUC.
- The PUC has steadily reduced the value of these adjustors for net-metering customers.
- Further reductions, on top of the loss of the ITC, would put solar out of reach for too many Vermonters.




**Siting Adjustors for Systems <150kW kW**

**Why act now?**

- The next Biennial Update will begin in March 2026
- New rates are likely to be announced in May 2026
- The new rates will be in effect from summer 2026 through summer 2028

# A Vermont Response to President Trump & Congress

Governor Scott and the Legislature must work together to find a solution to ensure Vermonters can affordably go solar at home

# What is Vermont “Single Plant” Law and Why is it a Problem?

Single plant language was enacted to ensure that larger renewable energy projects were not partitioned into multiple smaller projects to gain eligibility for size-restricted state renewable energy programs that offered non-market prices.

In practice, the “single plant” law prevents solar projects from being built near one another, preventing us from taking maximum advantage of :

- Previously disturbed sites (e.g., brownfields)
- Sites that already host solar
- Sites near existing load
- Sites near robust distribution infrastructure

More efficient use of previously developed sites will help reduce the cost of bring solar online and save ratepayers money.


Old gravel pit potentially off-limits for solar because of “single plant”

2.3 MW solar array on an old gravel pit

# PUC Recommended Changes to Single Plant Promotes Co-Location of Renewables

REV supports the PUC's recommended changes to the definition of "plant" to make it more feasible to co-locate new renewables. By enacting this language, the Vermont Legislature would:

- Eliminate existing single plant restrictions for new solar in almost all cases, allowing for a more predictable, lower cost, and faster permitting process
- Support more efficient land use by renewable generation projects by promoting denser, "solar smart growth"
- Reduce the need for redundant infrastructure like access roads and line extensions, which should also lower the cost of renewable power

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For more information on the need to revise the definition of plant, read REV's report: No Good Reason: Vermont's Regulatory Roadblocks to Renewable Energy and Our Fight Against Climate Change

# The Benefits of Energy Storage

Energy storage systems provide a wide array of grid benefits that increase reliability and lower costs, including:

- **Peaking Capacity**: Meeting short-term spikes in demand that can otherwise require the use of fossil fuels and higher-cost generation resources.
- **Maximizing Renewable Energy Resources**: Reducing curtailment of renewable generation resources and maximizing their contribution to system reliability.
- **Grid Infrastructure Support**: Relieving grid congestion, enhancing the resilience of wires infrastructure, and creating a more flexible power system.
- **Increasing Operational Flexibility**: Improving the ability of the grid to adapt rapidly to changes in demand and generation.
- **Improving Grid Resilience:** Serving as back-up power for homes, businesses, communities, and the broader grid system to minimize and prevent power outages and service interruptions from extreme weather

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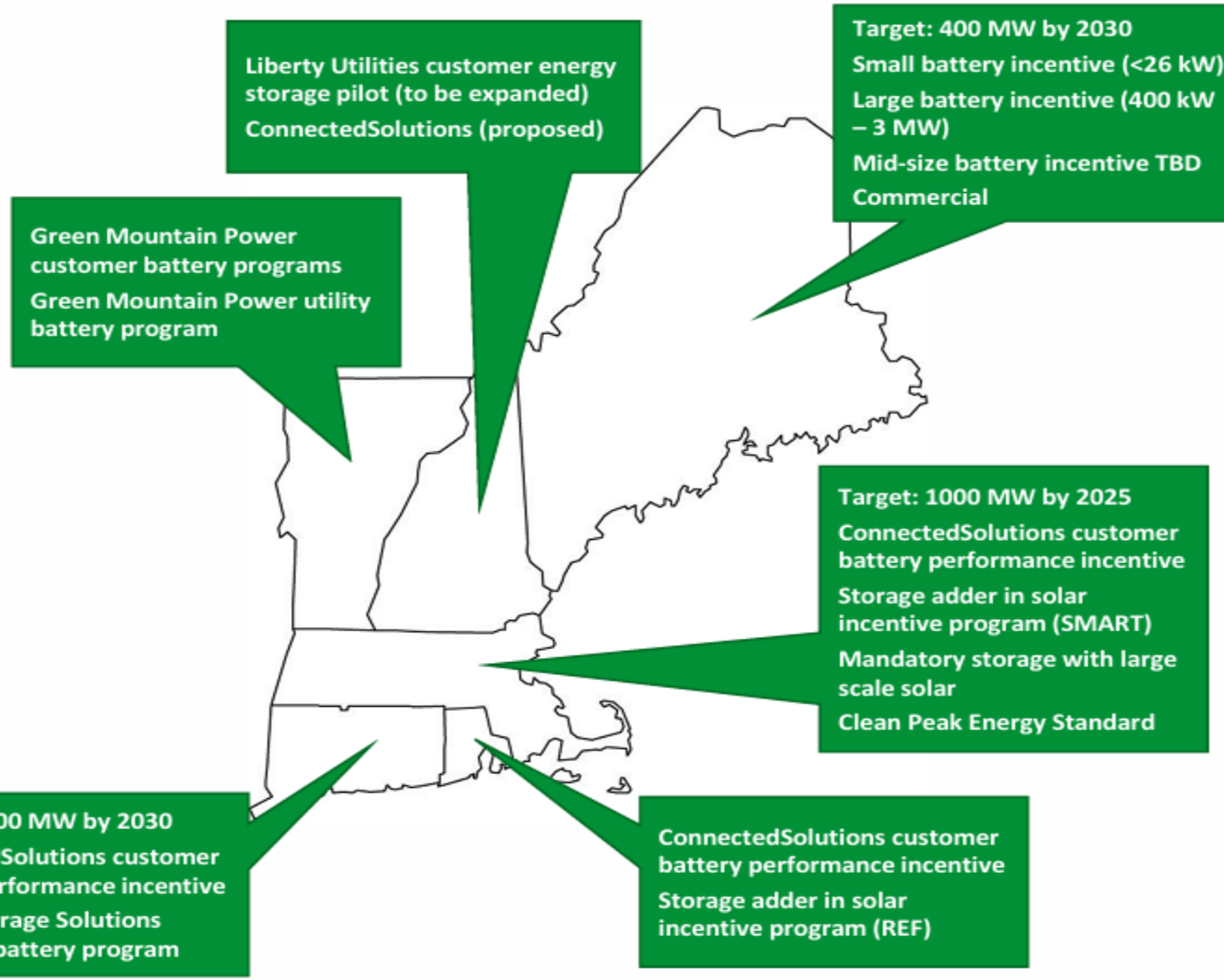
# Energy Storage in Vermont



## New England is a Leader in energy storage policy; Vermont is not.

- New England, New York and California are leading the nation
- VT is falling behind the rest of New England
  - GMP is doing great work but the state is not doing much – we've left energy storage to the utilities
  - Other New England states have state targets, policy and programs
- Increasing storage *deployment* is not enough; we must direct storage *use* to support state policy goals
- Top recommendations
  - Energy storage procurement target/mandate
  - Energy storage rebate +/ performance incentive
- To create jobs and attract investment you have to make the Vermont market attractive




Graphic: Todd Olinsky Paul, Clean Energy Group

# Maximizing the Benefits of Storage



## Options: Storage as energy efficiency and demand response

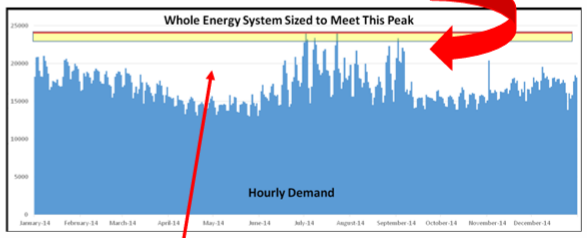
**Examples: Massachusetts, Rhode Island, Connecticut**

Massachusetts ConnectedSolutions program:

- Storage incorporated into the state's energy efficiency program as a peak reduction measure
- Customers enter into multi-year contract with utility for BTM storage dispatch at peak demand hours
- Utility compensates customers for storage services
- Lower peak demand saves money for ratepayers
- Developers can finance pipelines of storage projects contracted into ConnectedSolutions, creating virtual power plants

**The monetizable value of storage is partly due to the high costs of our oversized grid**

**The highest value of storage is in providing *capacity* to meet demand peaks… *not* in providing bulk energy.**




**White space = inefficiency in the system**



## Options: Storage added to existing renewables incentive programs

Examples: Massachusetts, New York, Nevada

Solar Massachusetts Renewable Target (SMART)

**Summary:** SMART replaced the previous SREC program in 2018. SMART is a declining block tariff program that provides fixed base compensation over a 10- or 20-year term. Offers solar rebates with stackable adders including a storage adder for new batteries connected with new solar PV behind customer meters.

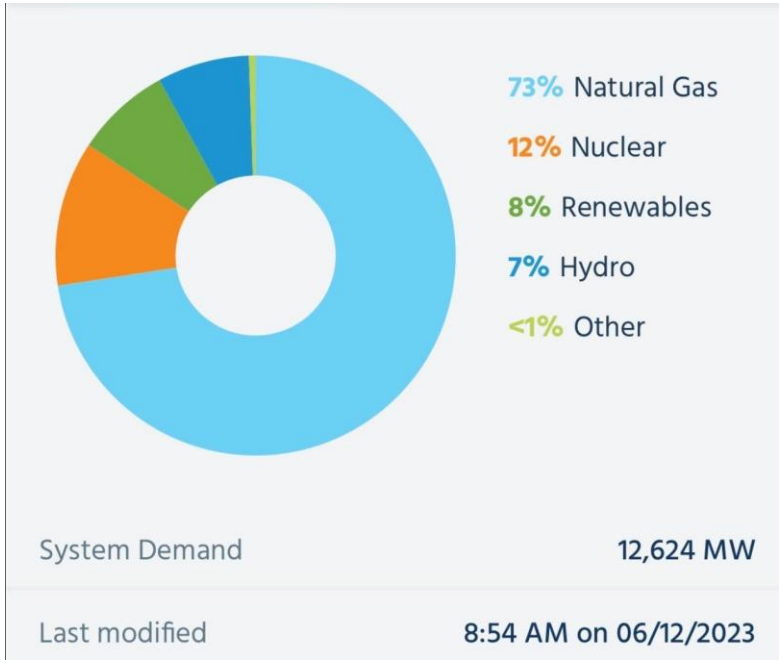
Stackable adders:

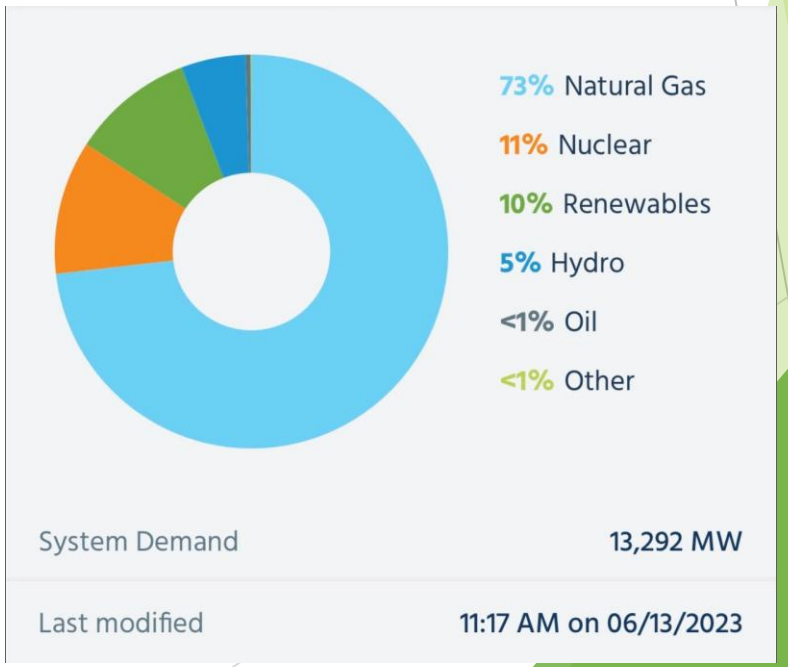
- Building Mounted Solar
- Floating Solar
- Solar on a Brownfield
- Solar on an Eligible Landfill
- Canopy Solar
- Agricultural Solar
- Community Shared Solar
- Low Income Property Solar
- Low Income Community Shared Solar
- Public Entity Solar
- **Energy Storage**
- Solar Tracking

Graphics: Todd Olinsky Paul, Clean Energy Group

# The Need for More Precise REC Accounting

- Vermont's Renewable Energy Standard operates on an annual accounting period and allows RECs to be banked for up to three years
- The RES has been an effective tool for increasing the share of renewable energy that we use. However, since utilities can purchase RECs independently of power, annual compliance accounting masks the purchase of electricity generated by burning fossil fuels
- Particularly during heat waves or cold snaps, when natural gas and oil generation increase, this creates a misleading impression of how effectively we have decarbonized the grid



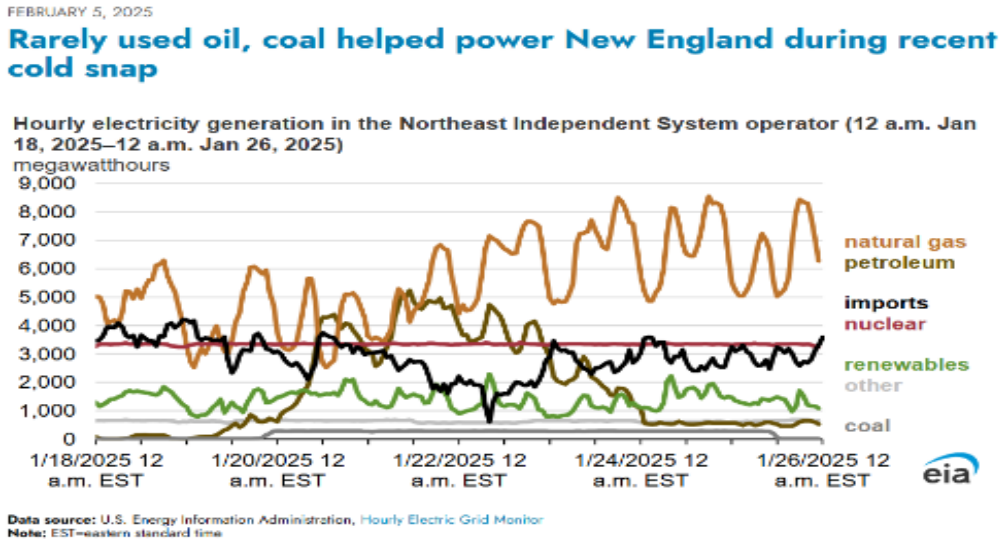



# Options for More Precise REC Accounting

Requiring a shorter compliance period for a portion of Vermont's load would deepen the decarbonization of the electric sector.

REC accounting practices currently in use in the United States or that Vermont should consider incorporating include:

- 24/7 REC Accounting
- Quarterly REC Accounting
- Enacting a "Clean Peak Standard" for real-time accounting during periods of peak energy use



# Questions?