



Impact of PUC's Proposed Changes to Net-Metering Rule 5.100

Background & Timeline

The PUC initiated a rulemaking process in March 2019 to amend Vermont's net-metering rule 5.100. After multiple rounds of public comments and workshops, on April 29th, 2022 the PUC issued a draft rule. Public comments are due May 27th and once the PUC finalizes its revisions, the proposal will need approval from the Legislative Committee on Administrative Rules (LCAR).

Proposed Rule Changes to Existing Law & The Impact on the Deployment of Renewables

1. Prohibiting net-metered systems for public EV charging: Vermont must maximize opportunities to align EV charging with solar generation, not diminish them. For example, solar canopies are an ideal way to co-locate solar generation and EV charging within existing development such as parking lots.
2. A blanket prohibition on tree clearing of more than one acre on preferred sites: This prohibition is one size fits all and does not account for forest quality, the location's importance for wildlife connectivity, or other environmental attributes. According to ANR, from 2017 to 2021 only 204 acres of forest were cleared for net metering on preferred sites.
3. Parking canopies are limited to paved parking: Excluding gravel and hard-packed parking surfaces, which are equally as impervious as pavement, eliminates potential net-metering sites without any clear scientific rationale.
4. For previously developed sites, solar panel placement is limited to the footprint of the existing structure/impervious surfaces: As with the tree clearing rule, this is being done without consideration of a specific site's context. For example, solar canopies are best designed to overlap the adjacent vegetation so that rainfall is not deposited directly on the impervious parking surface.
5. Blocking the development of new wholesale new markets: Net-metered projects cannot participate in wholesale markets without PUC approval but the Rule provides no process or criteria for obtaining approval. The PUC's stated rationale for this prohibition is "to prevent net-metering systems from receiving both retail and wholesale compensation" but the underlying initiative by the Federal Energy Regulatory Committee to allow distributed energy resources to participate in wholesale markets already directs grid operators to allow net-metering systems to participate with "narrowly designed restrictions necessary to avoid double counting." Consequently, this proposed provision does not provide any added benefit but will make Vermont less competitive for renewable energy resources than other states that are not erecting hurdles to participating in wholesale markets.

Larger net-metered systems (between 15 kW and 500 kW of capacity) are frequently used for Community Solar Arrays at "preferred sites" such as parking lots, brownfields, landfills, and existing structures. They are often the easiest (and in some cases only) way for renters and low and moderate-income Vermonters to access the benefits of renewable energy. The development of these systems is already declining due to falling net-metering compensation rates and the PUC is further restricting the sites where they can be built. These new restrictions are generally overly broad and do not account for specific site characteristics.

PUC's Proposed Rule Changes Run Counter to Climate Change Goals

REV believes the current draft rule unnecessarily restricts net-metering and contradicts the intent of 30 V.S.A. § 8010 which states the PUC must enact net-metering rules that advance "the goals and total renewables targets of this chapter and the goals of 10 V.S.A. § 578 (greenhouse gas reduction)" (30 V.S.A. § 8010(c)(1)(A)).

The net-metering program was created by the legislature to make it easier for Vermonters to access renewable energy. 30 V.S.A. § 8010 (c)(1)(E) states that the rules for the net metering program must “Ensures that all customers who want to participate in net metering have the opportunity to do so.” For Vermonters who do not have access to rooftop solar, offsite net metering is their sole access point to renewable energy and offsite access is unnecessarily restricted here.

Advancing the state’s renewable energy and climate goals will require that we accelerate the development of renewable resources in Vermont. The draft Rule along with the proposed cuts to net-metering compensation through the biennial review process will further restrict net-metering to the detriment of the state’s climate and energy goals.