

January 2017 Net Metering Update

The New Net Metering Program went into effect on January 1st, pursuant to Public Service Board Order dated August 29th.

- Act 99 (2014) provides that if the Public Service Board was not able to adopt a Final Rule by 1/1/2017 the PSB could issue an order governing the program until Rule 5.100 was finalized.

The Board submitted its Proposed Rule to the Secretary of State on October 15, 2016 beginning the formal rulemaking process.

- A public hearing was held on November 18th and comments were filed.

On January 20, 2017, the Public Service Board filed its Final Proposed Rule with the Legislative Committee on Administrative Rules (LCAR).

- The rule incorporates changes based on comments that were received, but these changes are intended to clarify the provisions of the rule. Changes were not substantive and the content of the Final Proposed Rule is the same as that of the Board Order that took effect on Jan. 1st.
- LCAR will now review the Final Proposed Rule for consistency with statute and vote on it.

With the Final Proposed Rule the Public Service Board also filed a Report to the Legislature, as required by Act 99.

- This report explains how the Final Proposed Rule complies with Vermont's energy goals and policies, explains the process undertaken by the Public Service Board, and summarizes the provisions of the Final Proposed Rule and the comments that were filed.

The new Net Metering Program includes the following changes:

- Net Metering Rate is the lesser of utility's blended rate or the statewide average blended rate.
- Establishes 4 categories of NM projects based on size and siting.
 - Creates "siting adjustors" to promote development in desirable locations (between \$.01/kWh and \$-.03/kWh)
 - Different administrative processes for each category of project
- Projects larger than 150 kW are only permitted in the NM program if they are located on "desirable sites."
- Sets a "REC adjustor" (+/- \$.03/ kWh) based on whether a customer retains the RECs or transfers RECs to the utility.
- REC and siting "adjustors" revisited every 2 years.
- Establishes "non-bypassable charges."
- Pre-existing systems maintain the rules under which they entered the program for 10 years.
- No customer may have more than 500 kW of net metered capacity.