

1 H.475

2 Introduced by Representative Klein of East Montpelier

3 Referred to Committee on

4 Date:

5 Subject: Energy; public service; net metering; solar generation; standard offer

6 Statement of purpose: This bill proposes to raise the individual capacity cap
7 for the solar net metering registration process from five to 10 kW; to exempt
8 residential installations from the four-percent statewide cumulative
9 capacity cap on net metering systems; and to require electric companies to base
10 the calculation of additional credits for solar net metering systems on the
11 standard residential energy rate charged by the company to the majority of its
12 residential customers. It also proposes to make capacity definitions enacted in
13 2011 apply retroactively to projects in the standard offer program since 2009.

14 An act relating to net metering and definitions of capacity

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 30 V.S.A. § 219a(c) is amended to read:

17 (c) The board shall establish by rule or order standards and procedures
18 governing application for, and issuance or revocation of a certificate of public
19 good for net metering systems under the provisions of section 248 of this title.

20 A net metering system shall be deemed to promote the public good of the state

1 if it is in compliance with the criteria of this section, and board rules or orders.

2 In developing such rules or orders, the board:

3 (1) With respect to a solar net metering system of ~~5~~ 10 kW or less, shall
4 provide that the system may be installed ten days after the customer's
5 submission to the board and the interconnecting electric company of a
6 completed registration form ~~and~~, a certification of compliance with the
7 applicable interconnection requirements, and a certification that the system
8 will comply with the requirements of the National Flood Insurance Program
9 under 42 U.S.C. chapter 50, if the system will be located in an area of special
10 flood hazard as defined under 44 C.F.R. § 59.1 and in a municipality that
11 participates in the program. Within that ten-day period, the interconnecting
12 electric company may deliver to the customer and the board a letter detailing
13 any issues concerning the interconnection of the system. The customer shall
14 not commence construction of the system prior to the passage of this ten-day
15 period and, if applicable, resolution by the board of any interconnection issues
16 raised by the electric company in accordance with this subsection. If the
17 ten-day period passes without delivery by the electric company of a letter that
18 raises interconnection issues in accordance with this subsection, a certificate of
19 public good shall be deemed issued on the 11th day without further
20 proceedings, findings of fact, or conclusions of law, and the customer may
21 commence construction of the system. On request, the clerk of the board

1 promptly shall provide the customer with written evidence of the system's
2 approval. For the purpose of this subdivision, the following shall not be
3 included in the computation of time: Saturdays, Sundays, state legal holidays
4 under 1 V.S.A. § 371(a), and federal legal holidays under 5 U.S.C. § 6103(a).

5 * * *

6 Sec. 2. IMPLEMENTATION; SOLAR REGISTRATION

7 No later than July 2, 2012, the public service board shall conform its
8 existing solar net metering registration forms and procedures to the provisions
9 of Sec. 1 of this act.

10 Sec. 3. 30 V.S.A. § 219a(e) is amended to read:

11 (e) Consistent with the other provisions of this title, electric energy
12 measurement for net metering systems using a single nondemand meter that
13 are not group systems shall be calculated in the following manner:

14 (1) The electric company which serves the net metering customer shall
15 measure the net electricity produced or consumed during the customer's billing
16 period, in accordance with normal metering practices.

17 (2) If the electricity supplied by the electric company exceeds the
18 electricity generated by the customer and fed back to the electric distribution
19 system during the billing period, the customer shall be billed for the net
20 electricity supplied by the electric company, in accordance with normal
21 metering practices.

1 (3) If electricity generated by the customer exceeds the electricity
2 supplied by the electric company:

3 (A) The electric company shall calculate a monetary credit to the
4 customer by multiplying the excess kWh generated during the billing period by
5 the kWh rate paid by the customer for electricity supplied by the company and
6 shall apply the credit to any remaining charges on the customer's bill for that
7 period;

8 (B) If application to such charges does not use the entire balance of
9 the credit, the remaining balance of the credit shall appear on the customer's
10 bill for the following billing period; and

11 (C) Any accumulated credits shall be used within 12 months, or shall
12 revert to the electric company, without any compensation to the customer.

13 Power reverting to the electric company under this subdivision (3) shall be
14 considered SPEED resources under section 8005 of this title.

15 (4) For net metering systems using ~~time-of-day~~ time-of-use, demand, or
16 other types of metering, ~~the board shall specify~~ the manner of measurement
17 and the application of bill credits for the electric energy produced or consumed
18 ~~in a manner~~ shall be substantially similar to that specified in this subsection for
19 use with a single nondemand meter, and the credit shall be calculated as if the
20 customer were charged the kWh rate component of the interconnecting

1 company's general service rate schedule that consists of two rate components:
2 a service charge and a kWh rate.

3 Sec. 4. 30 V.S.A. § 219a(h)(1) is amended to read:

4 (h)(1) An electric company:

5 (A)(i) Shall make net metering available to any residential customer
6 using a net metering system or group metering system. For the purposes of
7 this subdivision (A), a residential customer is one who receives service under a
8 residential rate schedule on the date the customer's net metering application is
9 filed with the board.

10 (ii) Shall make net metering available to any nonresidential
11 customer using a net metering system or group net metering system on a
12 first-come, first-served basis until the cumulative output capacity of
13 nonresidential net metering systems equals 4.0 percent of the distribution
14 company's peak demand during 1996; or the peak demand during the most
15 recent full calendar year, whichever is greater. The board may raise the 4.0
16 percent cap. In determining whether to raise the cap, the board shall consider
17 the following:

18 (i)(I) the costs and benefits of net metering systems already
19 connected to the system; and

1 for this credit calculation, the amount of the credit shall not fluctuate with
2 changes in the underlying residential rate used to calculate the amount.

3 (ii) The electric company shall apply the credit calculated in
4 accordance with subdivision ~~(1)(K)(i)~~ of this ~~subsection~~ subdivision (1)(K) to
5 generation from each net metering system using solar energy regardless of the
6 customer's rate class. A credit under this subdivision (K) shall be applied to
7 all charges on the customer's bill from the electric company and shall be
8 subject to the provisions of subdivisions (e)(3)(B)(credit for unused balance)
9 and (C)(12-month reversion) and (f)(3)(credit for excess generation; group net
10 metering) of this section.

11 (iii) An electric company's proposed modification to a rate
12 schedule to offer a credit under this subdivision (K) and any investigation
13 initiated by the board or party other than the company of an existing credit
14 contained in such a rate schedule shall be reviewed in accordance with the
15 procedures set forth in section 225 of this title, except that:

16 (I) A company's proposed modification shall take effect on
17 filing with the board and shall not be subject to suspension under section 226
18 of this title;

19 (II) Such a modification or investigation into an existing credit
20 shall not require review of the company's entire cost of service; and

1 (III) Such a modification or existing credit may be altered by
2 the board for prospective effect only commencing with the date of the board's
3 decision.

4 (iv) Within 30 days of this subdivision's effective date, each
5 electric company shall file a proposed modification to its rate schedule that
6 complies with this subdivision (K). Such proposed modification, as it may be
7 revised by the board, shall not be changed for two years starting with the date
8 of the board's decision on the modification. After the passage of that two-year
9 period, further modifications to the amount of a credit under this subdivision
10 may be made in accordance with subdivisions ~~(1)(K)(i)–(iii)~~ of this ~~subsection~~
11 subdivision (1)(K).

12 (v) An electric company shall not be required to offer a credit
13 under this subdivision (K) if, as of the effective date of this subdivision, the
14 result of the calculation described in subdivision ~~(1)(K)(i)~~ of this ~~subsection~~
15 subdivision (1)(K) is zero or less.

16 (vi) A solar net metering system shall receive the amount of the
17 credit under this subdivision (K) that is in effect for the service territory in
18 which the system is installed as of the date of the system's installation and
19 shall continue to receive that amount for not less than 10 years after that date
20 regardless of any subsequent modification to the credit as contained in the
21 electric company's rate schedules.

1 (vii) Not later than 30 days after board approval of an electric
2 company's first rate schedule proposed to comply with this subdivision (1)(K),
3 the company shall offer the amount of the credit contained in such rate
4 schedule to each solar net metering system placed into service prior to the date
5 on which the company submitted the proposed schedule to the board. Each
6 system that accepts this offer shall receive the credit for not less than 10 years
7 after the date of such acceptance, provided that the system remains in service,
8 and regardless of any subsequent modification to the credit as contained in the
9 company's rate schedules. Should an additional meter at the premises of the
10 net metering customer be necessary to implement this subdivision (vii), the net
11 metering customer shall ~~bear the cost of the additional meter~~ pay a one-time
12 charge not greater than the cost of the equipment and installation of the
13 additional meter.

14 Sec. 6. RATE SCHEDULES; MODIFICATIONS

15 (a) Any electric distribution utility whose rate schedule does not comply
16 with 30 V.S.A. § 219a(h)(1)(K) (mandatory credits; solar net metering
17 systems) as amended by Sec. 5 of this act shall file a proposed modification to
18 its rate schedule to achieve such compliance within 30 days of the effective
19 date of Sec. 5.

20 (b) The provisions of 30 V.S.A. § 219a(h)(1)(K)(iii) (review process) shall
21 apply to a proposed modification filed pursuant to this section.

1 (c) The provisions of 30 V.S.A. § 219a(h)(1)(K)(iv) (no change for two
2 years) and (vii) (equal offer to existing solar systems) shall apply to:

3 (1) A proposed modification filed pursuant to this section; and

4 (2) Any changes to rate schedules approved by the public service board
5 between May 25, 2011 and the effective date of this section that:

6 (A) comply with 30 V.S.A. § 219a(h)(1)(K) as amended by Sec. 5 of
7 this act; and

8 (B) were approved pursuant to either 30 V.S.A. § 219a(h)(1)(J)
9 (voluntary credits) or 30 V.S.A. § 219a(h)(1)(K).

10 Sec. 7. NET METERING; SIMPLIFIED PROCEDURES; 300 kW

11 The application form, rules, and procedures that the board applies under
12 30 V.S.A. § 219a to net metering systems of 150 kilowatts (kW) or less shall
13 apply to net metering systems of 300 kW or less. Notwithstanding the
14 requirements of 3 V.S.A. chapter 25, the board shall conform such application
15 form, rules, and procedures to the requirements of this section within 30 days
16 of the section's effective date.

17 Sec. 8. 30 V.S.A. § 8007 is amended to read:

18 § 8007. SMALL RENEWABLE ENERGY PLANTS; SIMPLIFIED
19 PROCEDURES

20 (a) The same application form, rules, and procedures that the board applies
21 to net metering systems of ~~150~~ 300 kilowatts (kW) or less under sections 219a

1 and 248 of this title shall apply to the review under section 248 of this title of
2 any renewable energy plant with a plant capacity of ~~150~~ 300 kW or less and to
3 the interconnection of such a plant with the system of a Vermont retail
4 electricity provider. This requirement includes any waivers of criteria under
5 section 248 of this title made pursuant to section 219a of this title.

6 (b) With respect to renewable energy plants that have a plant capacity that
7 is greater than ~~150~~ 300 kW and is 2.2 MW or less, the board shall establish by
8 rule or order standards and procedures governing application for, and issuance
9 or revocation of, a certificate of public good for such a plant under the
10 provisions of section 248 of this title, and the interconnection of such a plant
11 with the system of a Vermont retail electricity provider.

12 (1) In developing such rules or orders, the board:

13 (A) Shall waive the requirements of section 248 of this title that are
14 not applicable to such a plant, including, for a plant that is not owned by a
15 Vermont retail electricity provider, criteria that are generally applicable to such
16 a provider.

17 (B) May modify notice and hearing requirements of this title as it
18 deems appropriate.

19 (C) Shall simplify the petition and review process as appropriate.

20 (2) Notwithstanding 1 V.S.A. §§ 213 and 214, a petitioner whose
21 petition under section 248 of this title is pending as of the effective date of a

1 board rule or order under subsection (b) of this section may elect to apply the
2 standards and procedures of such a rule or order to the pending petition if the
3 petition pertains to a renewable energy plant with a plant capacity that is
4 greater than ~~150~~ 300 kW and is 2.2 MW or less.

5 Sec. 9. CAPACITY DEFINITIONS; STANDARD OFFER PROGRAM;

6 RETROACTIVE APPLICABILITY

7 30 V.S.A. § 8002(17) (definition of kW) and (19) (definition of MW) shall
8 apply to all standard offer contracts under 30 V.S.A. § 8005(b)(2) and (g)
9 executed on and after September 30, 2009.

10 Sec. 10. EFFECTIVE DATES

11 (a) This section and Secs. 2–9 of this act shall take effect on passage.

12 (b) Sec. 1 of this act shall take effect on July 2, 2012. However, on passage
13 of this act, the public service board shall have full authority to conform its
14 solar registration forms and procedures to the provisions of 30 V.S.A.
15 § 219a(c) as amended by Sec. 1.