



## Legislative and Regulatory Affairs Committee Meeting

11:45 AM, September 11, 2019  
5195 Waterbury-Stowe Road, Waterbury Center, Vermont

**CALL IN NUMBER: 1-773-231-9226**  
**MEETING ID: 802 244 7678#**

### Directors

Reg Beliveau, Swanton	Jonathan Elwell, Enosburg	Meredith Birkett, Johnson
-----------------------	---------------------------	---------------------------

### Agenda

*Allotted number of minutes set forth in bold type after each item*

1. Call to Order
2. Consideration of changes/modifications to agenda (**3**)
3. Public comment (**3**)
4. Consideration of the Committee Meeting Minutes - July 9, 2019 (**4**)
5. Regulatory Update: PUC Proceedings (**45**)
  - a. Case # 19-2956 All Fuels Utility
  - b. Case # 19- 0855 Net Metering Rule
  - c. Case # 19-3009 Electric Vehicle Fees
  - d. Case # 17-4999 Disconnection Rule 3.300
  - e. Case # 19-0302 Energy Savings Account Pilot
6. Legislative Update (**15**)
  - a. DPS Broadband Study
7. Renewable Energy Standard (**45**)
  - a. RES Rulemaking
  - b. 2018 RES Compliance
  - c. Tier 3 Planning for 2020
8. Other Business (**5**)

### CC:

Vacant, Barton	Tin Barton Caplin, Barton	Gary Denton, Enosburg
Mike Sullivan, Hardwick	Carol Robertson, Hyde Park	Frederika French, Hyde Park
Mac Butova, Jacksonville	Pam Moore, Jacksonville	Phil Wilson, Johnson
Vacant, Ludlow		Bill Humphrey, Lyndonville
Clay Bailey, Lyndonville	Craig Myotte, Morrisville	Penny Jones, Morrisville
Stephen Fitzhugh, Northfield	Jeff Schulz, Northfield	John Morley III, Orleans
Marilyn Prue, Orleans	Lynn Paradis, Swanton	

**DRAFT**

**Vermont Public Power Supply Authority**  
**LEGISLATIVE & REGULATORY BOARD COMMITTEE**  
**MEETING MINUTES**  
**July 10, 2019**

Committee Directors present (X indicates present):

X	Reginald Beliveau, Swanton (by phone)	X	Meredith Birkett, Johnson (by phone)
X	Jonathan Elwell, Enosburg		

Other Directors present:

John Morley III, Orleans	Bill Humphrey, Lyndonville
--------------------------	----------------------------

Alternates present:

--	--

Others present:

Melissa Bailey, VPPSA	Julia Leopold, VPPSA	Ken Nolan, VPPSA
-----------------------	----------------------	------------------

(numbers in bold type correspond with agenda item numbers)

- (1)** The meeting was called to order at 12:06 pm at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- (2)** Melissa Bailey asked if there were requests for changes and/or modifications to the current agenda. There were not.
- (3)** There was no public presence and therefore no comments were made.
- (4)** Director Elwell moved to approve the minutes from the May committee meeting and Director Humphrey seconded the motion. The minutes were approved without objection.
- (5)** Ms. Bailey provided an update on current regulatory proceedings at the Public Utility Commission (PUC). VPPSA has been working with other distribution utilities to develop recommended changes to update the state’s disconnect rule (Rule 3.300). The VPPSA Directors noted that there are significant challenges under the current rule, and that customers are able to accrue significant balances prior to having their electric service disconnected.

Ms. Bailey also informed the committee that applicants for the Energy Savings Account Pilot program have been selected by the Department of Public Service and Efficiency



**DRAFT**

Vermont. Because the program is not fully subscribed, the state may re-open the solicitation.

- (6) There was considerable discussion around a bill (H. 513) passed by the Vermont Legislature this session that requires the Department of Public Service to study the feasibility of electric utilities providing broadband services throughout the state. Director Elwell pointed out that tasking utilities with this obligation would be a significant deviation from the electric utilities' purview and expertise. The committee encouraged VPPSA to participate actively in the DPS study once it commences.

The PUC issued a report on June 28th which includes a host of recommendations on the deployment of charging infrastructure and promotion of electric vehicles. That report included recommendations on rate design, incentives, and load management related to electric vehicles. While the report is explicit in stating that these activities are recommendations, rather than requirements, it is clear that the state expects utilities to take a leading role in the deployment of electric vehicles and EV chargers. The report will be considered by legislators in 2020 and may well result in new legislation on this topic.

In addition, this year's Transportation Bill included provisions requiring the PUC to perform a study on how to implement per kWh fees on EV charging. The committee members expressed skepticism about the viability of measuring each kWh used to charge an electric vehicle and questioned whether this is the appropriate method for collecting transportation fund revenue.

Under Act 62, which was recently signed by the Governor, the PUC is required to perform a study related to establishing an "all fuels utility" or expanding existing programs and services offered by the DUs and EVT in order to further the state's climate goals. VPPSA has met with EVT and several other DUs in advance of this proceeding and plans to recommend that the PUC tackle the question of funding first in this proceeding. The PUC owes the legislature preliminary recommendations in January 2020 and a final report in January 2021. Director Humphrey noted that the current EVT budget is significant and he wonders whether customer's in Lyndonville's service territory receive benefits commensurate with their contributions.

- (7) Ms. Bailey and Mr. Nolan noted that VPPSA continues to engage in discussions with Efficiency Vermont staff on improving coordination among the two entities. There has been conceptual agreement that Efficiency Vermont be required to allocate a portion of its budget to delivering utility-specific (or VPPSA specific) services. The committee members expressed strong support for this approach.

**DRAFT**

Ms. Leopold updated the committee on VPPSA's enhanced marketing efforts and work with Efficiency Vermont to promote Tier 3 programs. The two entities are exchanging information on customers that participate in several programs and jointly developing customer education pieces.

Ms. Leopold and Mr. Nolan also briefly described VPPSA's consideration of a proposal from Great Blue Research to survey member customers. The effort would have two goals: 1) to gather information on customer preferences around communication, renewable energy, and new services; and 2) to test customer opinions on upcoming legislative and PUC issues in order to help frame VPPSA's position. This effort would require access to customer contact data held by the members, so there was discussion about how this data would be protected and utilized.

(8) There was no Other Business

The meeting was adjourned at 1:35 p.m.

Respectfully submitted,

---

Melissa Bailey, Acting Secretary  
Legislative & Regulatory Committee

## Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee  
From: Melissa Bailey  
Date: September 11, 2019  
Subject: **Agenda Item #5** - Relevant PUC Proceedings

VPPSA is closely monitoring and actively participating in multiple proceedings underway at the Public Utility Commission.

- a) **Case # 19-2956 All Fuels Utility** - The PUC has been required to perform a study related to establishing an "all fuels utility" or expanding existing programs and services offered by the DUs and EVT in order to further the state's climate goals. Preliminary comments have been filed and an all-day workshop will be held on September 24. The PUC owes the legislature preliminary recommendations in January 2020 and a final report in January 2021.
- b) **Case # 19-0855 Net Metering Rule** - The PUC recently opened a proceeding to revise the Net Metering Rule. The PUC is specifically looking at the costs and benefits of net metering, with the intent of adjusting compensation levels. It is also considering changes to the definition of a "preferred site." The PUC is requiring the utilities to respond to a set of information requests by October 18. Reply comments will be filed on November 1.
- c) **Case # 19-3009 Electric Vehicle Fees** - A workshop was held on August 22<sup>nd</sup> in the PUC's investigation into implementing a per kWh fee on electric vehicle charging. In advance of the workshop, the majority of participants filed comments suggesting that Vermont **not** implement such a fee. However, the state agencies (DPS, ANR, and VTRANS) continue to support the per kWh fee. Last week, utilities were asked to file information on the costs to implement such a fee. BED and VPPSA filed joint comments on September 6.
- d) **Case # 17-4999 Vermont's Residential Disconnect Rule** -VPPSA recently led a utility effort in which participants agreed on edits to the Disconnect Rule to be presented to the PUC, DPS, and other stakeholders. Comments on the utility proposal will be filed next week.
- e) **Case # 19-0302 Energy Savings Account Pilot** - The ESA Pilot allows commercial and industrial customers to use their own EEC contributions for "electric energy efficiency, thermal energy and process-fuel efficiency for unregulated fuels, energy productivity measures, demand management, and energy storage that provides benefits to the customer and its interconnecting utility." Ethan Allen has applied to participate in this program.

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.100	
--	--

Order entered: 08/22/2019

**REQUEST FOR ADDITIONAL INFORMATION AND DISCUSSION OF NEXT STEPS**

**I. INTRODUCTION**

In today's Order, we request additional information relevant to the review of Vermont Public Utility Commission ("Commission") Rule 5.100, which governs the construction and operation of net-metering systems. We also discuss next steps in this rulemaking.

**II. BACKGROUND**

In an Order dated April 16, 2019, the Commission opened this proceeding to review Commission Rule 5.100. The Commission directed participants to file written comments by no later than May 17, 2019.

On or before May 17, 2019, the Commission received comments from the Department of Public Service, the Agency of Natural Resources, the Natural Resources Board, the Vermont Association of Planning and Development Agencies, the Two Rivers-Ottawaquechee Regional Commission, the Chittenden County Regional Planning Commission, the Northwest Regional Planning Commission, the Southern Windsor Regional Planning Commission, the Town of Hartford, the Springfield Energy Committee, Renewable Energy Vermont, Vermonters for a Clean Environment, Jock Gill, the Sharon Energy Committee, Green Mountain Power Corporation, Vermont Electric Cooperative, Inc., Washington Electric Cooperative, Inc., the Vermont Public Power Supply Authority, Burlington Electric Department, Solaflect Energy, AllEarth Renewables, John Langhus, Peck Solar, and the Vermont Law School Institute for Energy and the Environment. A summary of all of the comments is attached to this Order (Attachment A).

### III. DISCUSSION

The Commission received comments from 24 entities and individuals representing State government, the distribution utilities, renewable energy developers, and public interest groups. The comments all recommended that the Commission hold a series of workshops to review potential changes to the rule. Some recommended workshops based on discrete subject areas while others recommended workshops geared towards reviewing iterative drafts of the rule. The comments addressed a wide range of issues, but several common themes emerged: (1) the net-metering compensation structure, (2) issues related to “preferred sites” and siting standards generally, and (3) administrative issues, including how the Commission processes applications for certificates of public good.

We agree that a series of workshops should be held to discuss the net-metering rule. We are issuing information requests before we schedule any workshops to better develop the issues raised in the comments.

#### A. Net-Metering Compensation Structure

Vermont law requires that the Commission develop a net-metering rule that, in addition to supporting Vermont’s renewable energy policies and greenhouse gas reduction goals, “accounts for all costs and benefits of net-metering” and “to the extent feasible ensures that net metering does not shift costs . . . between net-metering customers and other customers.”<sup>1</sup> The rule is also supposed to allow for access to the net-metering program for all customers who want to participate, balance the pace of deployment with the effect of the program on rates, and allow customers to retain ownership of renewable attributes.<sup>2</sup>

The comments raised questions about whether the net-metering compensation structure is meeting these goals. For example, Washington Electric Cooperative Inc. (“WEC”) estimated that net-metering has increased its retail rates by as much as 3.49%. However, the Commission needs more detailed information about the current costs and benefits of net metering, whether the current net-metering compensation system is creating a cost shift, and about the effect of the program on rates before the Commission can decide whether to amend the net-metering rule’s compensation structure.

---

<sup>1</sup> 30 V.S.A. § 8010(c)(1)(A)-(H).

<sup>2</sup> *Id.*

The following information requests are intended to focus the discussion of net-metering compensation with facts and analysis, as opposed to generalized assertions. We request that respondents explain and substantiate their responses as if they were filing testimony and identify the sources of all information presented.<sup>3</sup>

The first information requests are directed to the electric distribution utilities, which must respond to this information request pursuant to 30 V.S.A. §§ 8 and 209.

1. Is the current net-metering compensation<sup>4</sup> system causing a cost shift between customers who net-meter and those who do not? Please quantify this cost shift and provide all calculations supporting your response.
2. Please quantify the effect of current net-metering compensation on your retail rates. Please provide all calculations and information supporting your response.
3. If current net-metering compensation is having a significant effect on retail rates, please describe how compensation should be changed so that the net-metering program does not have a significant effect on retail rates.
4. Please state the amount of new net-metering capacity the utility will need to meet Vermont's Renewable Energy Standard in total and on average per year.

The following information requests are directed to all stakeholders.

5. Please identify all the benefits that net-metering provides (for example, energy, capacity, reduced regional network service charges, etc.).
6. For each benefit identified, please state whether the value of the benefit accrues to the net-metering customer, ratepayers, the utility, or society in general.
7. For each benefit, please describe how the Commission should estimate the value of that benefit. Please identify what data sources the Commission should use to make such estimates. If you have an estimate of the value of a particular benefit, please provide the estimate, along with supporting documentation showing how the estimate was derived.

---

<sup>3</sup> We are not using contested-case procedures in this rulemaking.

<sup>4</sup> This means the net-metering compensation set in the Commission's Order of May 1, 2018, in case number 18-0086-INV.



8. When estimating the value of the benefits of net-metering, what time horizon should the Commission consider? Why?
9. Please identify all costs of net-metering. Please describe how the Commission should account for these costs so that they can be compared to the benefits of net metering.
10. For each cost, please identify who pays the cost (ratepayers, the utility, society).
11. Please compare the benefits of net-metering to the cost of net-metering under the current net-metering rule.
12. If the current net-metering compensation system does not balance the costs and benefits of net-metering, please describe how the compensation system could be changed to better balance costs and benefits.
13. Would using time-of-use retail rates to set net-metering compensation better align the costs and benefits of net-metering? Should the Commission require net-metering customers to be on time-of-use rates?
14. Should the Commission allow utilities that provide their customers 100% renewable energy to propose alternative net-metering tariffs? If so, what minimum requirements should the Commission adopt for such tariffs?
15. Should the Commission adopt a limit on the amount of new net-metering resources? If so, how should the Commission determine the amount?

**B. Preferred sites**

The Commission proposed to remove joint letters of support from the definition of “preferred site” for two reasons. First, we have heard concerns about whether the current regulation fails to provide standards or criteria for regional and local bodies to apply when determining whether a site is “preferred.” The second reason is that Rule 5.103 did not provide any procedures for local bodies to follow before designating a site as preferred. The Commission wants to ensure adequate notice and opportunity for input from the public.

We request additional comment on the specific topics identified below. We will schedule a workshop to discuss these issues at a future date.

16. What standards or criteria should regional and local bodies apply to determine whether a site should be designated as “preferred”?
17. Which entity should be responsible for making a determination that a preferred site meets the applicable standards and criteria? Should it be the local planning body, the regional planning body, or the local legislative body? Or all three?
18. What procedures should regional and local bodies follow before designating a site as preferred? Should notice be provided to adjoining landowners and the public before this decision is rendered?
19. What information should applicants be required to provide to regional and local bodies before a site is designated as preferred?
20. Should a local determination that a site is or is not a preferred site be subject to review by the Commission? If so, what procedures should the Commission use to review such determinations?

**C. Administrative Issues**

The Commission is seeking to streamline the net-metering registration/interconnection process and to reduce the need for amendments to net-metering registrations. Attached to this order is a worksheet (Attachment B) with questions related to the fields contained in the net-metering registration form. The goal is to determine whether the form is collecting necessary information and whether any fields should be altered, added, or removed.

**IV. NEXT STEPS**

Responses to the information requests must be filed by October 18, 2019. Reply comments may be filed by November 1, 2019. After we have reviewed the responses, we will determine the next steps in this rulemaking.

V. ORDER

IT IS HEREBY ORDERED that:

1. The electric distribution utilities are directed, pursuant to 30 V.S.A. §§ 8 and 209, to respond to information requests number 1-4 by October 18, 2019.
2. Participants in this proceeding may respond to the information requests in this Order by October 18, 2019.
3. Participants may file reply comments by November 1, 2019.

Dated at Montpelier, Vermont, this 22nd day of August, 2019.

  
\_\_\_\_\_  
Jake Marren, Staff Attorney

  
\_\_\_\_\_  
Elizabeth Schilling, Staff Attorney

OFFICE OF THE CLERK

Filed: August 22, 2019

Attest:   
Clerk of the Commission

*Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov))*

PUC Case No. 19-0855-RULE - SERVICE LIST

Bill Bender Solaflect Energy 326 Main Street Suite 4 Norwich, VT 05055 bbender@solaflect.com	(for Solaflect)
Gregory Boulbol Vermont Natural Resources Board 10 Baldwin St. Montpelier, VT 05633 greg.boulbol@vermont.gov	(for Vermont Natural Resources Board)
Victoria J. Brown, Esq. Vermont Electric Cooperative, Inc. 42 Wescom Road Johnson, VT 05656 vbrown@vermontelectric.coop	(for Vermont Electric Cooperative Inc.)
Ellen Burt Town of Stowe Electric Department P.O.Box 190 Stowe, VT 05672 eburt@stoweelectric.com	(for Town of Stowe Electric Department)
Olivia Campbell Andersen Renewable Energy Vermont 33 Court St. Montpelier, VT 05602 olivia@revermont.org	(for Renewable Energy Vermont)
William Coster 1 National Life Drive Davis 2 Montpelier, VT 05620 billy.coster@vermont.gov	(for Vermont Agency of Natural Resources)
Alex DePillis Agency of Agriculture Food & Markets 116 State Street Drawer 20 Montpelier, VT 05620-2901 Alex.DePillis@vermont.gov	(for Vermont Agency of Agriculture, Food and Markets)

Steven R Farman  
Vermont Public Power Supply Authority  
5195 Waterbury-Stowe rd  
Waterbury Center, VT 05766  
sfarman@vppsa.com

(for Vermont Public  
Power Supply Authority)

Phillip Foy  
110 Main Street, Suite 2E  
Burlington, VT 05401  
phillip@encorerenewableenergy.com

(for Encore Renewable  
Energy)

Pete Giese  
MHG Solar, LLC  
pete@mhgsolar.com

(for MHG Solar, LLC)

Jock Gill  
PO Box 3  
Peacham, VT 05862  
jock@jockgill.com

T. Ryan Haac  
70 Horse Farm Road  
Sharon, VT 05065  
THAACR@gmail.com

(for Sharon Energy  
Committee)

John Langhus  
Wisdom & Power LLC  
517 Union Village Road  
Norwich, VT 05055  
johnlanghus@gmail.com

David John Mullett, Esq.  
aLLEARTH REnewables, Inc.  
94 Harvest Lane  
Williston, VT 05495  
dmullett@allearthrenewables.com

(for ALLEARTH  
RENEWABLES, INC.)

Taylor Newton  
Northwest Regional Planning Commission  
75 Fairfield Street  
Saint Albans, VT 05478  
tnewton@nrpcvt.com

(for Northwest Regional  
Planning Commission)

Jeannie Oliver  
Energy Clinic at Vermont Law School  
P.O. Box 96  
164 Chelsea Street  
South Royalton, VT 05068  
joliver@vermontlaw.edu

(for Energy Clinic at  
Vermont Law School)

Char Osterlund  
Springfield Energy Committee  
charm@vermontel.net

(for Springfield Energy  
Committee)

Nathan Phelps  
Vote Solar  
101 Summer Street  
2nd Floor  
Boston, MA 02110  
nathan@votesolar.org

(for Vote Solar)

William Powell  
Washington Electric Cooperative, Inc.  
PO Box 8  
East Montpelier, VT 05651  
bill.powell@wec.coop

(for Washington Electric  
Cooperative Inc.)

Chris Rauscher  
595 Market Street, Floor 29  
San Francisco, CA 94015  
chris.rauscher@sunrun.com

(for Sunrun Inc.)

Matt Rutherford  
Town of Stowe Electric Department  
P.O. Box 190  
56 Old Farm Road  
Stowe, VT 05672  
mrutherford@stoweelectric.com

(for Town of Stowe  
Electric Department)

Annette Smith  
Vermonters for a Clean Environment, Inc.  
789 Baker Road  
Danby, VT 05739  
vce@vermontel.net

(for Vermonters for a  
Clean Environment, Inc.)

Martha Staskus  
Norwich Solar Technologies  
15 Railroad Row  
Suite 101  
White River Junction, VT 05001  
staskus@norwichsolar.com

(for Norwich Solar  
Technologies)

Melissa Stevens  
Green Mountain Power Corporation  
2152 Post Road  
Rutland, VT 05701  
melissa.stevens@greenmountainpower.com

(for Green Mountain  
Power Corporation)

Alison Milbury Stone, Esq.  
Vermont Attorney General's Office  
109 State Street  
Montpelier, VT 05609-1001  
alison.stone@vermont.gov

(for Vermont Agency of  
Agriculture, Food and  
Markets)

Michael Sullivan  
Town of Hardwick Electric Department  
P.O. Box 516  
Hardwick, VT 05843  
msullivan@hardwickelectric.com

(for Town of Hardwick  
Electric Department)

Alexander Wing  
Vermont Department of Public Service  
112 State Street  
Montpelier, VT 05620  
alexander.wing@vermont.gov

(for Vermont  
Department of Public  
Service)



## Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee  
From: Melissa Bailey  
Date: September 11, 2019  
Subject: **Agenda Item #6** - Legislative Update

Several bills that were passed during the 2019 session require the Public Utility Commission or the Department of Public Service to perform studies to inform policymakers in advance of the 2020 session. Many of those items have been covered under the regulatory update.

- a) H. 513 - Broadband Deployment - The Public Service Department has been charged with conducting a study on the feasibility of electric utilities providing broadband services. The DPS has secured a consultant to carry out the feasibility study and notified distribution utilities that the consultant will be circulating a questionnaire to utilities in the near future. The Department owes a report to the Legislature on the feasibility study by January. This was a topic of discussion when VPPSA staff met with Commissioner Tierney and her staff in August.

## Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee  
From: Melissa Bailey  
Date: September 11, 2019  
Subject: **Agenda Item #7** - Renewable Energy Standard

- a) **RES Rulemaking** - The PUC is in the process of finalizing the Rule that will govern the RES. It is largely similar to the Order issued in 2016 that governed the RES to date. Several topics that will be included in the rule include: how utilities account for administrative costs of implementing the RES, how nuclear attributes are handled under Tier 3, and how utilities manage load from electrification under Tier 3.
- b) **RES Compliance: Tiers 1 and 2** - VPPSA's aggregate RES compliance filing was submitted to the PUC on August 31<sup>st</sup>. The Department and stakeholders now have an opportunity to comment on utilities' filings.
- c) **Tier 3** - Staff have begun preparing the Tier 3 Budget for 2020. Staff recommend continuing the electric vehicle, cold climate heat pump, and heat pump water heater programs that are currently being offered. Staff are proposing the VPPSA add rebates for the following Tier 3 measures:
  - a. **Electric Golf Carts**
  - b. **Electric Lawnmowers**
  - c. **Electric Bikes**

Electric forklifts were included in the 2019 budget, but no opportunities have been identified to date. We will continue to pursue opportunities to do forklift conversions, as this is a very attractive Tier 3 measures. Commercial and Industrial opportunities, including the installation of Electric Vehicle Supply Equipment, will continue to be evaluated on a custom basis.