



Net Metering Expands with Utility Support

While battles rage with utilities taking on both solar customers and businesses around the country, Vermont has quietly expanded its net metering program by nearly four-times without so much as a skirmish.

Net metering gives renewable energy customers full, fair credit on their utility bills for the excess clean power they deliver to the grid. Vermont's legislation, H.702, raised the state's net metering cap from 4 percent of a utility's peak load to 15 percent, significantly expanding participation in this critical program. The bill also notably expands the state's [nation-leading 10-day solar registration program from 10 kW to 15 kW](#). It passed the Vermont House nearly unanimously and then the Vermont Senate 28-0. Governor Peter Shumlin quickly signed the bill into law on April 1.

Unlike net metering fights in Arizona, California and Colorado, to name just a few, this major expansion of customer-owned distributed generation sailed through with broad support not only from the legislature but also from the state's utilities. Some will be tempted to dismiss this solar win simply because it's Vermont, a small state known for its progressive policies. And yet, it's a state that also retains many more conservative energy characteristics including being the only state in the region without an RPS and also a state with a whopping 17 utilities, including many highly-cherished, small municipal utilities and co-ops.

So what made Vermont's process so different from what has transpired elsewhere around the country? First, there was a broad recognition of the economic benefits of distributed solar generation. A 2013 study commission by the Public Service Department found [no significant cost shift](#) produced by net metering

solar. This provided the foundation of an economic argument for the many benefits — from transmission savings to peak shaving — the state could expect from expanding its net metering program. Bolstering that report, in the Vermont Governor's Budget Address earlier this year, he cited a newly released \$400 million figure in savings from transmission line deferments from distributed generation, noting that "our strategy of building local, renewable energy projects while maximizing our energy efficiency is working, already helping us defer nearly \$400 million of transmission costs which our region's ratepayers would otherwise have to pay." The numerous economic benefits are right in line with studies and reports from around the country, from California to Texas to New York, on the benefits to ratepayers of distributed solar.

Second, distributed solar had the support of active and engaged leadership by the Governor's energy team. Vermont utilities hitting the state's net metering cap had the potential to send the industry into a similar tailspin of net metering fights we've seen nationally. But thanks to early leadership by the Public Service Department in convening stakeholders, getting everyone in a room, and then through shuttle diplomacy between and among industries, they were able to artfully draft a compromise that preserved a policy that provided a predictable and fair path for the industry to grow uninterrupted through 2016.

Third, Vermont's investor-owned and largest utility not only embraced but actively championed expanding the state's net metering program. During those meetings to devise a path forward—where things could have spiraled into the same messy fights divisions we've seen across the country—Green Mountain Power's CEO Mary Powell sat at the table surrounded by her utility colleagues and made clear that GMP valued solar, valued their customers' demand for solar, and had no intent to slow down their overt support for distributed generation, net metering cap or not. This card-carrying EEI utility, which serves close to 75 percent of the state, drove the conversation. They were the yardstick to measure other utility opinion against. And very appropriately, GMP was recently honored as Vote Solar's 2014 Utility Solar Champion for their leadership.

Finally, the growth of local solar jobs and proliferation of new customers has strengthened the popularity of net metering among Vermonters. Vermont was recently ranked as having the most solar jobs per capita of any state by the Solar Foundation. That means something to policy-leaders who are always seeking economic development opportunities. Vermonters and their elected officials are starting to recognize the real job creation benefits of pro-solar policies, from promoting in-state manufacturing to employing local installers and making solar customers more energy-secure. Further, the proliferation of towns, schools, as well as many prominent Vermont businesses, farms and non-profits that are now net metering customers are an increasingly strong constituency for positive net metering policies.

Solar is having an impact in more and more communities in a very visible way. While we can't expect all states to have the benefit of pro-renewable governors or pro-net metering utility execs, Vermont's recent success in dramatically expanding its net metering program is a model to be emulated. To the extent that states are competing for good solar jobs, they will need to get their net metering policies right or else see the many wide ranging benefits of solar pass them by. And our growing solar industry must use our strongest assets—namely the powerful voices of our employees, our customers and other supporters—to drive good future energy policy.