

Net Metering

Gregg Faber

Vermont Public Service Board

What is Net Metering?

- Created as an incentive for homeowners and small businesses to invest in renewable energy systems.
- Allows retail electric customers to credit, at full retail electric rates, the on-site generation of electricity against consumption of electricity.
- Uses a standard meter to record the flow of energy between the utility and the customer.
- When a customer generates more energy than that consumed, the customer receives a credit at the retail rate for the net excess generation on the following utility bill.
- The existing net metering rules do not include hydro-electric generation, but the proposed rules would allow for net metered hydro generation.

Net Metering in Vermont

- Net metering was created in Vermont pursuant to 30 V.S.A. §§ 219a and 248 in 1998.
- 2001: Board adopts Rule 5.100 establishing the standards and procedures governing the net metering process.
- 2003: Rules amended to include farm systems.

Existing Rule 5.100

- The Rule allows for specific types of renewable energy generation facilities:
 - Photovoltaic Array
 - Wind Turbine
 - Fuel Cells
 - Anaerobic Digesters
 - Biomass Gasification
 - Farm systems can be comprised of any type of facility or combination of facilities above.

Existing Rule 5.100

- The Rule allows for non-farm systems up to 15 kW capacity.
- Farm systems can be up to 150 kW capacity and may combine all meters on the farm.
- The Rule also allows for ten non-farm systems per year up to 150 kW.
- The amount of net metered generation on any utility's electrical system is capped at 1% of the utility's peak demand during 1996 or the most recent calendar year, whichever is greater.
 - This cap represents approximately ten mW of net metered generation on a statewide basis.

Existing Rule 5.100

- Includes interconnection standards applicable to facilities up to 150 kW capacity.
- Conditionally waives certain criteria of 30 V.S.A. § 248.
- Includes a simplified application form that is available on the Board website.

Status of the Net Metering Program

- Over 300 projects approved since inception of the program in 1998:
 - 218 PV systems
 - 64 wind systems
 - 17 combination wind and PV systems
 - 1 anaerobic digester
 - 6 farm systems
 - 3 systems over 15 kW (including farm systems)
- The statewide aggregate net metered capacity is approximately 1 mW or 10 % of the statewide cap.
- The average net metering project capacity is approximately 3.5 kW.

Proposed Expansion of the Net Metering Rules

- In 2006 the Board began the process of expanding the net metering rules pursuant to legislative directive.
- The proposed rule was filed with the Secretary of State in March of 2007.
- The proposed rule expands the net metering program in several ways:
 - Allows for individual and municipal group net metering
 - Increases the number of projects up to 150 kW in capacity that can be approved per year from 10 to 15
 - Allows net excess generation to be counted as SPEED resources by the utility
 - Allows credits for excess generation to be used on a rolling 12 month basis, rather than reverting to the utility at the end of the calendar year
 - Expands the types of facilities eligible for net metering to include hydro and biomass projects
- The new rule is expected to be in place by this summer.