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**Sent:** Wednesday, January 13, 2016 5:59 PM  
**To:** Springer, Darren  
**Subject:** FW: GMP Comments on Draft Rule 5.100  
**Attachments:** GMP\_NM\_2 0\_Comments\_011316\_1PM[2].pdf

FYI.

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**Sent:** Wednesday, January 13, 2016 5:46 PM  
**To:** Copans, Jon <Jon.Copans@vermont.gov>  
**Subject:** FW: GMP Comments on Draft Rule 5.100

FYI. Have a nice night!

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**From:** Charlotte Ancel <[charlotte.ancel@greenmountainpower.com](mailto:charlotte.ancel@greenmountainpower.com)>  
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**Subject:** GMP Comments on Draft Rule 5.100

Dear Mrs. Whitney,

Attached please find Green Mountain Power's comments on draft Rule 5.100.

Thanks so much for the opportunity to comment!

Best,

Charlotte

Charlotte Ancel

Vice President, Power Supply & General Counsel

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January 13, 2016

Mrs. Judith Whitney, Clerk  
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Peoples United Bank Building, 4th Floor  
112 State Street  
Montpelier, VT 05620-2701

Re: Draft Rule 5.100

Dear Mrs. Whitney:

Green Mountain Power (“GMP”) submits these comments on the draft Rule 5.100 proposed by the Vermont Public Service Board (“Board”) on December 8, 2015 (“Draft Rule”). GMP appreciates the opportunity to comment on the Draft Rule.

## **I. Overview**

GMP is directionally supportive of the revisions proposed to the Draft Rule filed by the Department today. The Draft Rule, along with the Department’s proposed revisions, builds on GMP’s long history of harnessing the value, for all of our customers, of rooftop solar and distributed generation more broadly. They also fit well with what customers tell us they want: to partner on energy transformation at the most local level.

For these reasons, GMP supports in concept the Department’s proposed revisions to the Draft Rule, with two categories of exceptions, specifically:

- First, we want to spend more time considering the pricing mechanisms proposed by the Department today for projects above 150 kW. We see the future as one in which more and more homes and businesses go solar via rooftops and community projects for those who cannot directly place solar on their home or property. We question whether projects over 150 kW are needed to achieve this vision, and if they are, what the appropriate siting adders should be.

If the Board adopts a pricing mechanism for projects above 150 kW as part of its official Draft Rule, we will submit additional comments and/or proposed revisions during the formal rulemaking process. In the interim, we will continue to engage with the Department and other stakeholders on this issue.

- Second, we believe that all customers should have the same opportunity to become energy independent, regardless of what service territory they are in. We therefore believe that all customers should get the same pricing, regardless of where they live.

What follows is additional detail regarding (1) GMP's approach to net metering; and (2) specific comments on various sections of the Draft Rule.

## **II. GMP's Approach to Net Metering**

GMP supports an approach to net metering that strikes a balance between the following five principles. We believe these principles are, first and foremost, customer-centric. However, they also support a sustainable level of distributed generation ("DG") development, while honoring GMP's core principles of providing low-cost, low-carbon and reliable energy services to our customers.

1. Simplicity:
  - Net Metering is simple for customers to understand, and for the utilities to administer.
2. Low Cost
  - Net metering is financially sustainable, leverages the value of distributed generation for other customers, and does not meaningfully increase rates.
3. Low Carbon
  - Net metering should be designed to minimize exports of renewable attributes, and retire the majority of them to individual customers or the RES program.
4. Reliable
  - The program should ensure that generation is close to load.
5. Continuity & Sustainability of the Distributed Generation (DG) Industry
  - The program produces a stable level of DG development each year.

## **III. Specific Comments to Various Sections of the Draft Rule**

In its draft rule, the Board defines a number of terms that GMP wishes to comment on.

1. Definition of "Account"
  - "Account" means a unique identifier assigned by the electric company to a customer for billing purposes. A customer account may include one or more meters.

Comment: Some utilities have developed solar generation in the past under net metering and are offsetting electric use at their own facilities. As a result, we suggest adding a sentence that qualifies existing utility facilities as an "Account". For example, "Account" may also mean a unique identifier assigned by the electric company associated with metered use of a facility of the electric company that is not billed at retail rates.

2. Definition of "Customer"

- “Customer” means a retail electric consumer. For purposes of this rule, an entity whose primary purpose is the generation of electricity is not a customer.

Comment: The second sentence clarifies that an entity whose primary purpose is the generation of electricity is not a customer. This appears to mean that GMP cannot charge non-consumption retail rates (e.g., customer charge, EAP Fee). GMP currently considers this type of generation as a customer and therefore charges appropriate retail rates, (ie a customer charge). We believe that utilities should continue to be allowed to charge for metering via a customer charge. In addition, not assigning a solar array as a customer could cause problems down the road if the entity controlling the site started to use electricity for something other than the solar array. Our suggestion is to strike the second sentence of the definition.

### 3. Definition of “Net Metering”

- “Net Metering” means the process of measuring the difference between the electricity supplied to a customer and the electricity fed back by a net metering system(s) during customer’s billing period:
  - (1) using a single, non-demand meter or such other meter that would otherwise be applicable to a customer's usage but for the use of net metering; or
  - (2) if the system serves more than one customer, using multiple meters. The calculation shall be made by converting all meters to a non-demand, non-time-of-day meter, and equalizing them to the tariffed kWh rate.

Comment: It is unclear to us what (1) and (2) mean. Specifically, the language in (2) needs to be clarified to explain what the phrase “tariffed kWh rate” and the term “equalizing” means. Does the language in (2) mean that utilities must take a C&I account and convert it to a non-demand, non-TOU meter? If so, what rate would utilities charge? Our suggestion is to strike (1) and (2) or to clarify what the meaning of the language is and in what context it should be applied.

### 4. Definition of “Net Metering System”

- “Net Metering System” means a plant... that is:
  - (1) no more than 500 kW capacity; operates in parallel with facilities of the electric distribution system, is intended primarily to offset part or all of a net metering customer's or group's own electricity consumption, *is located on a net metering customer's premises*, and employs a renewable energy source produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate pursuant to 30 V.S.A. § 8002(2);

Comment: This definition appears to require that net metered generation must be on the premises of a real customer. Since a solar array in a field whose primary purpose is the generation of electricity is not a customer (see “Customer” definition), then a solar array cannot be located on a piece of property that does not have some other electric service. Is the interaction of these two definitions intended? If not, then striking the second sentence in the definition of Customer would appear to address this comment.

### 5. Definition of “Time-of-Use Meter”

- “Time-of-Use Meter” means an electric meter that measures the consumption of electricity at the time it is consumed.

Comment: We suggest the following change to the definition to clarify the definition.

“Time-of-Use Meter” means an electric meter that measures the consumption of electricity ~~at the time it is consumed during defined periods of the billing cycle.~~

### **5.103(B) Grandfathering of Existing Net Metering Customers**

GMP believes that the following sentence, “After such 10-year period runs, such customers shall take service pursuant to the electric company tariff on file with the Board at that time.” should be clarified to state that the “residential rate” applies.

### **5.104 Energy Measurement for Net Metering Systems**

The nomenclature in this section differs from the rest of the document. Re-inserting (A) would make section 5.104(1) equate to 5.104(A)(1), which matches the rest of the document.

#### **5.104(5) Energy Measurement for Net Metering Systems**

We believe that the first sentence should be clarified as follows.

*“For net metering systems using time-of-day; ~~or demand or other types of metering,~~ the customer shall install a production meter at their own expense.”*

We believe that this section should clarify that the generation cannot also offset the customer’s billing meter, which can result in customer being credited twice for the same generation. Restoring the language from the current 5.105(C) would address this concern. Specifically it currently states that, “*In order for a demand or TOU customer to receive credits valued at the utility’s residential rate, the customer must, at its own expense, install a separate meter to measure production from the generation source and the generator must be interconnected directly to the utility grid such that the generation does not offset consumption measured by the customer’s meter or meters*”.

#### **5.105(A) Customer Billing Requirements**

We believe that these billing requirements should be optional, and that the information could be more effectively provided to customers in other ways. For instance, more data could be provided in a more flexible format using a web portal.

#### **5.105(C) Group Member Allocations**

We believe that the language from the current 5.105(E) is adequate and we are unclear why this section has been revised. In addition, because of the complexity required to administrate the option for group net metered customers to allocate credits to group members in order of priority, we believe that this method of allocation should be eliminated, and that allocation based on percentages is sufficient.

#### **5.107(A)(4) & 5.107(A)(6) Non-Bypassable Charges**

GMP supports the concept of making the energy efficiency charge and electric assistance program fees non-bypassable. However in practice, we note that the tariff presently requires GMP to apply net metering credits to “any remaining charges on the Customer’s electric bill for that period.”

Furthermore, implementing such changes would require substantial and expensive changes to our billing systems.

**Elimination of Opt-out Meters**

GMP would support a provision of this rule that requires net metering customers to use AMI smart meters if the utility has deployed that technology.

We appreciate the opportunity to provide comments, and look forward to the upcoming rulemaking process.

Very truly yours,

/c/

Charlotte B. Ancel  
Vice President, Power Supply & General Counsel