LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number:_____S. 196_____   **Name of Bill:**_____An Act Relating to Regulation of Net Metering Systems_____

Agency/ Dept:____Public Service_____   **Author of Bill Review:**_____Darren Springer_____

Date of Bill Review:_____1/7/2014_____   **Status of Bill: (check one):**

___X___Upon Introduction   _____ As passed by 1st body   _____As passed by both bodies

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Recommended Position:

_____Support   ___X___Oppose   _____Remain Neutral   _____Support with modifications identified in #8 below

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Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
The bill proposes to eliminate the cap on net metering participation, and also prohibit customers from applying net metering credits to their fixed monthly customer charge.

2. **Is there a need for this bill?** *Please explain why or why not.*
There is a need to update the net metering program, and this bill is well-intentioned, but the Department has worked intensively with stakeholders on a different proposal that has broader consensus than the approach included in this bill.

3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?**
There would not be fiscal or programmatic implications directly to the Department, unless this bill significantly increased the pace of deployment for net metering, in which case it might require more of Department staff who participate in net metering dockets and track net metering deployments. More likely, however, is that the reduced incentive to net meter might slow the pace of deployment.

4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
Likely none. If pace of net metering significantly increased because of this bill, it could require more staff time and resources from Tax Department [which assess solar installations above 10 kW (although there is the proposal to increase this to 150 kW)], and agencies which participate in net metering dockets. More likely, however, is that the reduced incentive to net meter might slow the pace of deployment.

5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** (*for example, public, municipalities, organizations, business, regulated entities, etc*):
Solar installers, particular those focused on residential, farm, and small business installations, would likely see less business due to the reduced incentive to net meter. Some utilities that favor charging a fixed monthly fee to net metering customers might favor the approach as a way to bring in more revenue from net metering customers, including some VPPSA utilities.

6. **Other Stakeholders:**

   6.1   Who else is likely to support the proposal and why?
   Unclear
   6.2   Who else is likely to oppose the proposal and why?
   Green Mountain Power, Renewable Energy Vermont, VPIRG and VNRC, possibly other utilities, who all support the alternative approach the Department is pursuing with legislature.

7. **Rationale for recommendation:**   *Justify recommendation stated above.*
The Department has worked intensively to find the best path forward on net metering. We believe that the Department's proposal addresses the need for developers to have certainty over the next three years to take advantage of expiring federal tax credits, while we also provide a forum for a long-term redesign of the program via the Public Service Board to address concerns utilities have raised about revenue and equity. If the Department's proposal is enacted the ideas contained in S. 196 could be properly considered during the Board's examination of net metering and alternatives.

8. **Specific modifications that would be needed to recommend support of this bill***:*   *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*
N/A, see #7.

Secretary/Commissioner has reviewed this document: _____ Date: __1/15/14__