

2014 Energy Policy Issues and Opportunities

To reach Vermont's goal of meeting 90% of our energy needs in 2050 from renewable sources Vermont must radically reduce energy consumption and increase the diversity and distribution of clean, renewable energy resources. The following are key energy and climate action priorities we urge legislative leaders to act on in 2014:

1. Fix Net Metering by Removing or Significantly Raising the Current Cap. Net metering is Vermont's most successful renewable energy program, allowing Vermonters to generate their own clean, local power. The current statutory cap on net-metered projects — which amounts to around 1% of the energy a utility's customers use in a year — means that many Vermonters cannot go solar. That's because several utilities have met the net metering cap and have stopped allowing their customers to go renewable.

This problem is keeping many Vermont families, schools, municipalities and businesses from installing solar, it's slowing down larger-scale investments in solar and it's creating uncertainty in an already-stressed investor market. *The Legislature should expand and strengthen this important program by:*

- *Exempting residential systems under 15kW from counting towards any cap.*
- *Maintaining the current or a similar rate structure for net-metered projects.*

2. Fix the Municipal Solar Tax Issue. The Legislature established a state education tax of \$4/kW of capacity for solar projects over 10 kW. When the tax department explained this new tax to town clerks and listers, they suggested listers use a complicated model developed by Sandia Labs to assess a municipal tax on solar, and they left the door open for different towns to apply different municipal tax rates for solar projects. This has created confusion and unintended consequences, making it harder to develop homegrown renewable energy. The fact that different towns can and are applying different values to PV projects for a municipal tax is creating unpredictability and making the cost of projects from one town (or one Vermonter) to the next unpredictable. *The Legislature should fix this issue and make this tax simple, predictable and affordable.*

3. Fund the Clean Energy Development Fund. The CEDF has been in place for 10 years, effectively stimulating investment in small-scale renewable energy and providing essential funding for certifying solar installers. Funding for the CEDF has been uncertain and uneven over the years and, at this time, there is no identified funding source for it next year. Without action, it could be eliminated altogether. *Vermont — and the Legislature — must maintain its commitment to the CEDF because:*

- While the cost of solar has come down, the reality is that Vermonters who go solar are still making a significant, long-term investment that benefits the state as a whole, and we should continue to make that investment easy and affordable.
- The solar partner certification program gives property owners certainty that their project is being installed safely. This is critical so that consumers know they are dealing with qualified installers.

4. Fund Weatherization Programs. The state set a goal of weatherizing 80,000 homes by 2020. That's because saving energy not only saves money but it is one of the biggest climate actions the state can take. Unfortunately, at current investment levels, Vermont is on a trajectory to miss our goal by half. Beyond that, without a \$12 million appropriation this year, the state's already-backlogged, highly successful low-income weatherization programs will face serious cuts. *The Legislature must find a sustainable, sufficient funding source for low-income weatherization, as well as provide further funding, financing and technical assistance to motivate more Vermonters to invest in heating efficiency.* Such investments:

- Could help those who invest in heating efficiency save, on average, \$1,000 a year on their fuel bills.
- Would be the equivalent of taking 1.2 million passenger cars from the roads for one year.
- Help those who are hit hardest by unaffordable heating bills save on increasingly expensive energy costs.
- Keep Vermonters money working in Vermont, saving \$6 for every public dollar invested in heating efficiency.