

Vermont

Solar Policy Survey

October 2016



The NESEMC Solar Policy Survey compiles information on state-level policies that significantly influence the solar energy market. The survey was produced with the help of the Pace Energy and Climate Center’s team of student researchers. The vast majority of the information contained within this document has been obtained from [the Database of State Incentives for Renewables & Efficiency](#) (DSIRE) with additional information and research obtained from various sources.

Note: These factsheets are updated periodically to reflect policy changes within each state. If you notice a mistake or out of date information, please contact Nick Martin at nmartin@nesemc.com.

SOLAR MARKET POLICIES

This document surveys the following solar market relevant policies.

POLICY	DESCRIPTION
RENEWABLE ENERGY GOALS	Does the state have enforceable and/or non-mandatory renewable energy goals? Do these goals include a specific solar PV carve out?
SOLAR TARIFFS AND RATES	How are solar PV customers impacted by utility tariffs and rates? Does the state offer net metering and/or value of solar tariffs? Do utilities impose high fixed charges or specific charges on solar customers?
VIRTUAL NET METERING	Can solar PV customers offset electricity purchases on multiple meters?
COMMUNITY AND SHARED SOLAR	Can multiple customers offset their electricity purchases from a single PV system?
GREEN FINANCING	Does the state support renewable energy financing through institutions like green banks or property assessed clean energy (PACE) financing?
PERMITTING	Has the state streamlined the solar PV permitting process?
LICENSING	What type of licensing is required to install solar PV systems? Are specialized solar PV or renewable energy licenses available?
SOLAR RIGHTS AND ACCESS	Does the state protect customers’ ability to install solar PV systems and access sunlight?
OTHER FINANCIAL INCENTIVES	Does the state offer financial incentives including grants, loans, tax credits, and/or tax exemptions?

RENEWABLE ENERGY GOALS

Goals and Mandates:

Vermont state law creates a renewable energy standard (RES) requiring 75% of retail electricity sales to be supplied by renewable sources by 2032.¹ In 2017, 55% of sales must be supplied by renewable sources with the requirement increasing 4% every three years until 2032.

10% of the 2032 mandate must be supplied by distributed generation including solar PV.

Solar Carve Out:

Vermont does not have a solar specific renewable energy goal.

SOLAR TARIFFS AND RATES

NET METERING

Vermont state law mandates net metering for solar PV customers.²

Maximum System Capacity:

Net metered systems may be up to 500kW for most facilities and 2.2MW for military facilities.

Aggregate Capacity Limit:

Aggregate net metered facility capacity is limited to 15% of the utility's 1996 peak demand or 15% of peak demand during most recent year (whichever is greater).

Applicable Entities:

All utilities are required to offer net metering.

Excess Generation:

Excess generation is credited to the customer's next bill at the retail rate. If excess credits are not used within 12 months, they are granted to the utility without compensation to the customer.

Renewable Energy Certificate (REC) Ownership:

The customer retains ownership of any RECs.

¹ Vermont H.B. 40

² 30 V.S.A. § 219a to § 219b

NOTE: In August 2016, the Vermont Public Service Board ordered changes to the state’s net metering program to take effect on January 1st, 2017.³ Among many changes, the new rules will:

- Modify credit for excess generation based on factors such as project siting characteristics and REC ownership,
- Limit net metered systems to facilities less than 150kW if not located on a “preferred site” and to less than 500kW if located on a preferred site⁴
- Not allow net metering customers to avoid “non-bypassable charges” (pre-existing facilities are exempt from this change for 10 years), and
- Eliminate any aggregate capacity limits on net metered facilities

VALUE OF SOLAR

Vermont utilities do not offer any value of solar tariffs.

Vermont is yet to conduct a study analyzing the value of solar in the state.

VIRTUAL NET METERING

Vermont allows virtual net metering through its group net metering rules.

Maximum System Capacity:

Virtually net metered facilities may be up to 500kW, which is the same as net metered facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit, which is 15% of utilities' peak demand during 1996 or the peak demand during most recent full calendar year, whichever is greater.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

The customer host must file with the Vermont Public Service Board (PSB) information that explains the beneficial accounts to be included; the method for adding/removing meters and how credits will be allocated; main contact person; and a dispute resolution process.

COMMUNITY AND SHARED SOLAR

Vermont's net metering program allows for shared solar configurations.

Enrollment / Program Size Limits:

Shared solar facilities are included under net metering single facility capacity limits of 500kW for most customers and 2.2MW for military projects.

³ See [Order on Reconsideration in Re: Revised net-metering program pursuant to Act 99 of 2014](#)

⁴ See page 14 of Order on Reconsideration

There are no limits on the number of participants.

Compensation Rules:

The host and participants receive credit at the retail rate. Utilities must also offer an extra credit of \$0.20/kWh minus the highest retail rate.

Other Limitations:

The host customer must file the PSB information including customers and meters that are part of the group, credit allocation methods, a dispute resolution process, and other information.

GREEN FINANCING

Green Bank:

Vermont does not currently have an operational green bank.

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.⁵ Efficiency Vermont maintains a [list of towns](#) with active PACE programs and PACE districts.

Other Green Financing:

[Small Business Energy Loan Program](#) - This program is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The SBELP provides loans, up to \$350,000 and up to 40% of the project, to small businesses for solar PV projects on a case-by-case basis.

[Commercial Energy Loan Program](#) - This is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The program finances large business loans up to \$2,000,000 and up to 40% of the project.

[Agricultural Energy Loan Program](#) - This is one of four loan programs under Vermont's Sustainable Energy Loan Fund. Administered by the Vermont Agricultural Credit Corporation, this loan program provides loans to agriculture or forest product-based companies for solar projects.

[Energy Loan Guarantee Program](#) - This loan program is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The ELGP provides loan guarantees to financial institutions for loans made to businesses that invest in solar projects.

PERMITTING

Standardization:

Vermont state law has created a state-wide expedited permitting process for solar PV projects 15kW or less.⁶ Customers installing a solar PV system less than 15kW must inform the Vermont PSB of the project as well as comply with all interconnection requirements. The utility has 10 days to flag any issues, otherwise the PSB issues a Certificate of Public Good, and the customer may proceed with installation.

⁵ 24 V.S.A. § 3251 et seq.

⁶ [30 V.S.A. § 219a](#)

LICENSING

Vermont does not require or offer solar PV specific licenses for installers. The installation of solar PV modules and racking up to the point of connection to field-fabricated wiring does not require a license.⁷

Tied to Incentives:

Incentives are not tied to licensure or certification.

Reciprocity:

Vermont reciprocates with Maine and New Hampshire for journeyman and master electrician licenses.⁸

SOLAR RIGHTS AND ACCESS

Solar Rights:

State law prohibits restrictions on property owners' installation of solar collectors in any deed restriction, covenant, or similar binding agreement.⁹

State law permits regulations on specific locations for solar installations so long as such regulations do not impair the operation of solar collectors.¹⁰

Solar Access:

Vermont does not have any state laws or regulations that specifically address solar access.

OTHER FINANCIAL INCENTIVES

Tax Incentives:

Investment Tax Credit - Vermont offers a 7.2% investment tax credit for installations of a variety of solar installations. The credit reduces to 2.4% on 12/31/2016.

Uniform Capacity Tax and Exemption for Solar - Vermont passed a 100% property tax exemption for solar photovoltaic (PV) systems up to and including 10 kilowatts (kW). For systems greater than 10 kW, the state assesses a uniform \$4 per kilowatt (kW). This applies to the equipment, not to the land.

Renewable Energy Systems Sales Tax Exemption - Vermont's sales tax exemption for solar energy applies to systems up to 500 kilowatts (kW) in capacity that generate solar electricity or solar water-heating systems, both grid-tied and off-grid.

Local Option: Property Tax Exemption - Vermont allows municipalities to opt into offering an exemption from the local real and personal property taxes for solar energy systems (7.2%).

⁷ [26 V.S.A. § 910\(7\)](#)

⁸ [National Electrical Contractors Association](#)

⁹ [27 V.S.A. § 544](#)

¹⁰ [27 V.S.A. § 544](#)

About NESEMC



The **Northeast Solar Energy Market Coalition** brings together solar energy business associations and other stakeholders in the Northeast United States to harmonize regional solar energy policy and advance the solar energy market. We are funded by the U.S. Department of Energy SunShot Initiative as a cooperative agreement through 2017.

Our vision is a thriving, efficient regional market for solar photovoltaic energy generation in the Northeast.

We will realize our vision by encouraging and engaging regional solar businesses in advancing market policy to lower costs and increase solar market opportunity. We will educate stakeholders and policy makers throughout the region directly, and by empowering our member organizations with robust analysis and timely information.

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