

# Renewable Electricity Policies & Programs in Vermont

Over the last 20+ years, Vermont has developed several policies and programs to support renewable energy in the state. Two of these programs are described below.

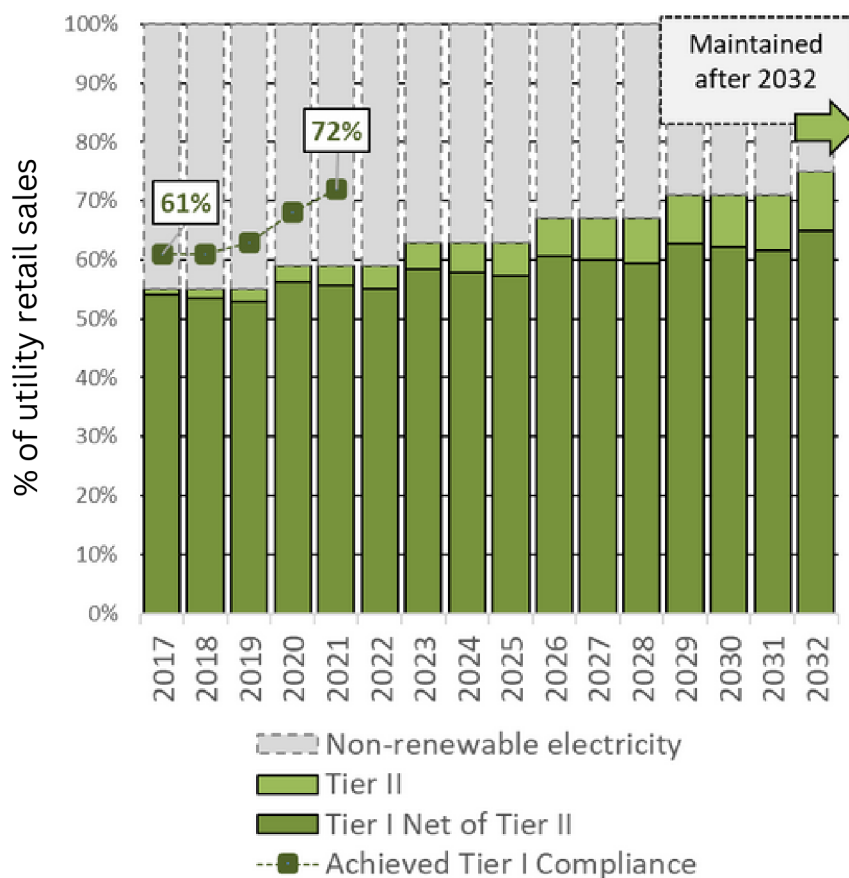
## What do we mean by "renewable energy"?

In Vermont, "renewable energy" is defined as

*Energy produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate. (30 V.S.A. § 8002)*

This definition includes resources like solar, hydropower, wind, and biomass (ex. burning wood or methane gas from landfills or farms). It does not include nuclear.

Currently, the **Renewable Energy Standard (RES; 30 V.S.A. § 8002-8005)** sets the overarching requirements for increasing the use of renewable electricity. This requirement is divided into different "Tiers" which require utilities to retire renewable energy certificates from different sources:



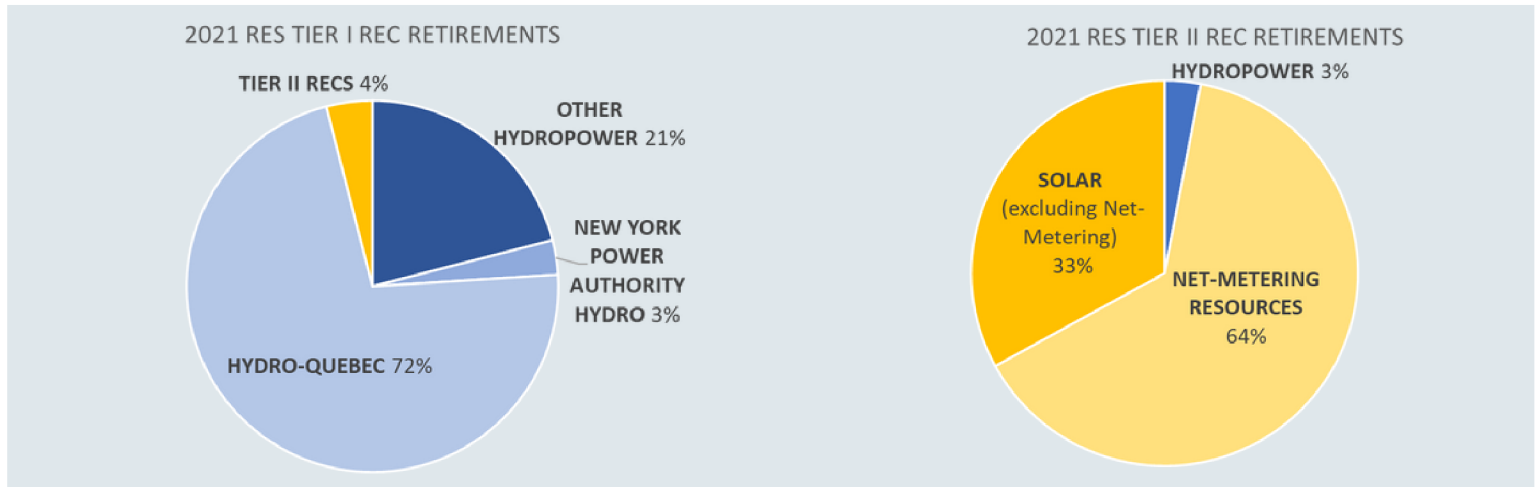
## TIER I (Total Renewable)

- Any renewable resource regardless of age that can provide power to New England, including from outside the region (ex. from New York, Quebec).
- Started at **55% of their retail sales in 2017**
- Increases 4% every 3 years until reaching **75% in 2032**.

## TIER II (Distributed Generation)

- Resources built after June 2015, located in Vermont, & less than 5 MW in size.
- A carve-out of Tier I.
- Started at **1% of retail sales in 2017**
- Increases 3/5% every year until reaching **10% in 2032**.

Across Vermont, utilities are meeting or exceeding their requirements under this policy to date. **In 2021**, the most recent year data is available, **Vermont electricity was 72% renewable**, exceeding the requirement of 59%. Utilities also met the requirement for distributed generation. The figures below show how utilities met their requirements in 2021:

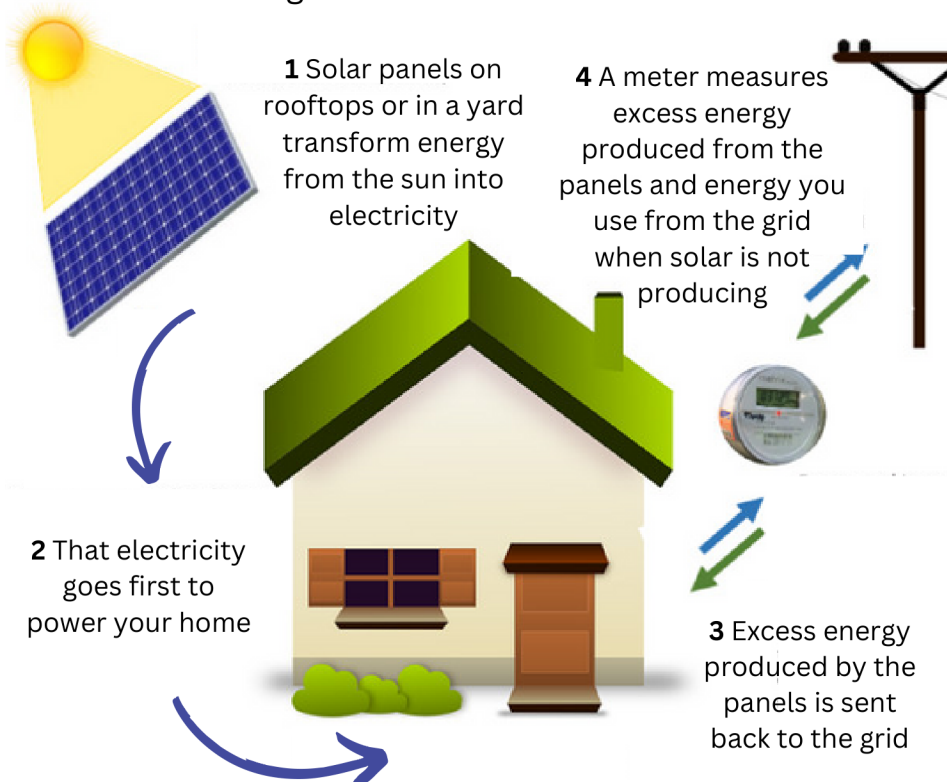


Utilities can meet their requirements under this policy by retiring renewable energy credits from:

- Resources they own or purchase power from through a contract
- Resources developed through other state programs, such as the **net-metering** program.

## Net Metering

The **net-metering program** (*Public Utility Commission Rule 5.100*) provides a way for Vermont homes, businesses, and communities to generate electricity from small-scale resources. The diagram below shows how **residential, on-site** net-metering works:



In the current program, net-metering systems are compensated for the electricity they generate based on three key factors:

- **Generation:** How much electricity did the system generate each month and how did that compare to your electric usage? Are the systems offsetting electricity consumption directly?
- **Category of system:** What is the installed capacity of the system and where is the system located (i.e. is it on a "preferred site" designated by the program, like an existing structure, parking lot canopy, or town designated site?).
- **Renewable Energy Credit:** Did the customer keep the REC or assign it to their utility so the utility could use it to meet their requirements for renewable electricity?

If you generate more than you use in a month, credits for generation can be carried forward to use in another month for up to one year.