August 5, 2022

VIA EMAIL

State of Vermont

Department of Public Service

112 State Street

Montpelier, VT 05620-2601

PSD-REPrograms@vermont.gov

RE: Ecogy Energy Response to the Initial Request for Input on Comprehensive Review of Vermont's Renewable & Clean Electricity Policy and Programs

Dear Vermont Public Service Department,

Ecogy Energy, based in Brooklyn, NY and founded in 2010, is an experienced developer, financier, and owner-operator of distributed generation projects across the U.S. and Caribbean.

Ecogy's focus and niche is on the <1 MW arena, particularly on systems sited on rooftops, parking lots, and brownfields. Ecogy believes that with sound planning, proper development, and fair incentives for these types of projects, the State, its residents, and the clean energy industry as a whole will ultimately be more successful. Ecogy firmly believes that by focusing on such projects constructed in and on the built environment, the development community can preserve precious and limited natural resources while directing the benefits of local solar to small businesses, property owners, nonprofits, low-income individuals and other organizations that need them most.

Please accept the attached document as Ecogy Energy's response with regard to the Request for Input on Comprehensive Review of Vermont's Renewable & Clean Electricity Policy and Programs

Respectfully submitted,

/s/
Brock D. Gibian
Director of Development
Ecogy Energy
www.ecogyenergy.com

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Topic 3: Key Issues for Consideration

Ecogy's 110 kW Ground Mount Community Solar Project in Strafford, VT

The 110 kW ground mount project was constructed in 2015 and is Ecogy's first community solar project which was a driving factor behind determining a niche for ourselves within the small to medium scale commercial and community solar market. The project is located on a local horse saddlery and was built by a local Vermont installer, Peck Electric. Peck

is also under contract as the O&M provider, which will result in long-term employment for the Vermont-based Electric company.

Without a $32,000 grant from the VT CEDF, which covered legal costs for the community solar model and subsidized racking costs, this project likely would not have been realized. For perspective, this project is estimated to accrue savings of up to $190,000 to Newton School, Barrett Hall, Morrill Library, and the United Church of Strafford over the 20-year lifetime.

This project is also very favorable to the environment, generating 2,493,750 kWh over the 20-year life which is equivalent to the Carbon sequestered by almost 2,400 acres of U.S. forests in one year, or the CO2 emissions from burning almost 200,000 gallons of gasoline consumed, or enough electricity to power almost 300 homes for one year.

Why Ecogy Left the Vermont Solar Market

Despite Ecogy's commitment to continue development in Vermont after the successful installation of our very first community solar project in 2015, we had to leave the Vermont solar market. The reason being because the lack of funding for the Clean Energy Development Fund ("CEDF") and the changes in net metering rules no longer made community solar projects such as Ecogy Strafford economically viable in Vermont.

Challenges in Vermont to Deploy Distributed Solar

Vermont (RPS and Top Solar Jobs per Capita in 2015 → Town/State protests → Moratoriums → Act 250 → Size cap of 150 kW AC projects → Loss of jobs and limited development opportunity.

1. Net metering: Net metering is a policy that has been critical to deploying solar across the nation. Vermont's original net metering legislation was enacted in 1998, and the law has been expanded and modified several times, most recently by H.B. 702 of 2014. This legislation created a process to result in the establishment of a revised net metering program by January 1, 2017. Specifically, the legislation required the Department of Public Service ("DPS") to prepare a report by October 1, 2014, evaluating the current state of net metering in Vermont. The DPS ultimately included a size cap for community-owned solar facilities of 150kW (AC) or less in the rulemaking. Smaller systems sizes lead to less economies of scale and interest from financing entities. As a result, Ecogy was unable to maximize the economic and environmental benefits for solar development, leading to loss of jobs and limited developed opportunity.
2. Compensation: Over the last several years, the compensation Vermonters receive when they install solar systems and send excess power back to the grid has declined.

Reductions in net-metering rates makes it difficult, if not impossible, to earn a return of investment. The Commission in previous stakeholder discussions have claimed that they do not have the data inputs to accurately assess developers compared to the amount of information available to them regarding utilities ability to build and own electric generation facilities. Ecogy suggests the Department look to the Rhode Island Renewable Energy Growth Program (REG Program) procedures on their ability to collect data from developers and researchers to inform project assumptions.

3. Hosting Capacity: Ecogy has seen limited hosting capacity in Vermont, mainly due to large ground-mount solar developers securing the majority of capacity in early incentive years. The state should make proactive and timely investments in distribution infrastructure, as well as the cost-sharing/allocation associated with these upgrades with the utilities. As part of the distribution planning process, the state should also accelerate the adoption of innovative technologies and programs that increase hosting capacity.
4. Building Code: New building code and requirements to build in Vermont hampers rooftops and canopy projects with reduced incentives, leading to worse economics than traditionally ground-mounted projects.
5. Vermont Statute 30 V.S.A. § 8010: There is a substantial amount of uncertainty regarding the consistency of revenue for a solar PV project in Vermont. Vermont Statute 30 V.S.A. § 8010 states that, "Commencing 10 years from the date on which an existing net metering system was installed, the Commission may apply to the system the same rules governing bill credits and the use of those credits on the customer's bill that it applies to net metering systems for which applications were filed on or after January 1, 2017, other than any adjustments related to siting and tradable renewable energy credits." With over a decade of experience as a financier, developer, owner, and operator of distributed energy resources, Ecogy cannot build under such uncertainty.

Benefits to Ratepayers

Customers can put little to no money down on a solar system with leases and power purchase agreements, while enjoying lower electricity bills and the freedom to generate their own power. Additionally, Ecogy's community solar systems have made it possible for hundreds of people to access clean, discounted, and reliable solar energy. Community Distributed Generation ("CDG") projects have increased new revenue for host sites, created local jobs, local tax revenue, and engaged the local community. As we see rates continue to escalate across states including in Vermont, fixed-price solar energy is a way for Vermonters to be protected from volatile energy prices.

Vermont Solar Jobs Decline

Vermont led the nation in solar employment in 2013 with the highest per capita gains in the

country.[1] In 2015, Vermont had the third highest per capita number of solar jobs in the nation.[2] According to data from the National Solar Jobs Census, Vermont experienced a decline in solar jobs for three years in a row from 2016 to 2019 even though national solar jobs have trended upward. In fact, in 2019 the Vermont solar sector employed 1,186 people full time, which is a 33 percent decline of solar jobs since 2016 or a net loss of 581 jobs.[3] Solar firms across Vermont shed 270 jobs between 2019 and 2020—a decline of 13.7 percent.[4] Numbers will drop even further after the recent rate loss of about 6% or so in value, further exacerbating challenges with retail competition within the state.[5]

Unfortunately, this job loss was predicted by Ecogy and other solar developers who warned that the changes in net metering rules would hinder community solar development. Ecogy believes that the Vermont legislature should prioritize reviving solar employment because solar jobs further the clean energy transition, offer equitable wages, promote transferable skills, and pose lower formal educational barriers to entry.[6] Ecogy is of the opinion that these lost solar jobs can be brought back if the Vermont Legislature increases funding to the CEDF and fixes net metering rules to allow for properly incentivized community solar development.

Thank you for your support of the solar energy industry in Vermont.

Respectfully submitted,

/s/
Brock D. Gibian
Director of Development
Ecogy Energy
www.ecogyenergy.com

[1] The Solar Foundation Annual Report 2013

[2] https://vermontbiz.com/news/2017/february/27/vermont-among-leaders-solar-jobs-capita

[3] https://vermontbiz.com/news/2020/february/20/solar-jobs-down-vermont-nationwide

[4] 2021 Vermont Clean Energy Industry Report Produced for the Vermont CEDF & Vermont

[5] Kennedy, Ryan. "Vermont Expected to Delay Long-Term Changes to Solar Net Metering." *Pv Magazine USA*, PV Magazine , 14 June 2022, https://pv-magazine-usa.com/2022/06/14/vermont-expected-to-delay-long-term-changes-to-solar-net-metering/.

[6] Kane, Joseph, and Ranjitha Shivaram. "How Clean Energy Jobs Can Power an Equitable COVID-19 Recovery." Brookings, Brookings, 10 Sept. 2020, https://www.brookings.edu/blog/the-avenue/2020/09/10/how-clean-energy-jobs-can-power-an-equitable-covid-19-recovery/.