

Vermont reduces incentives for renewable energy program

May 4 2018, by Lisa Rathke



In this Sept. 15, 2015 file photograph, a portion of the Stafford Hill solar power project gathers energy from the sun in Rutland, Vt. Vermont regulators are reducing the financial incentives for electric customers who install renewable energy systems such as solar panels and get a credit on their bills for providing power to the grid. (AP Photo/Wilson Ring)

Vermont regulators are reducing the financial incentives for electric customers who install renewable energy systems such as solar panels and

get a credit on their electric bills for providing power to the grid.

The Vermont Public Utility Commission said in a report Tuesday that the incentives need to be reduced to balance the pace of development for these projects with the program's impact on electric rates.

"Renewable energy is flourishing in Vermont and has reached a level of maturity where it can continue to be deployed with lower incentives," the commission said.

The "net-metering" program, in which solar is dominant, is the most expensive of Vermont's renewable energy programs because the utility essentially is buying energy at higher-than-market rates, the commission said.

"As the amount of distributed renewable energy in Vermont has grown significantly over the past several years, the cost of installing solar generation has also decreased dramatically," the commission said. "Financial incentives for net-metered solar, however, have remained high, making it the most expensive of Vermont's renewable energy programs."

The decrease will be phased in over two years starting in July and will affect only future projects. Under the changes, small renewable energy projects will see a 1-cent-per-kilowatt-hour reduction in their credits in each of the next two years and larger projects will have a bigger drop.

Solar companies and renewable energy advocates expected the rates to go down, but not so much, and said the drop will be detrimental to Vermont's energy future.

"To imply that this is not a big deal at the same time the Trump administration is pushing coal and taxing solar is not being fair to

Vermonters," James Moore, a co-founder of solar installer SunCommon, said on Friday.

In the last year the administration of Republican Gov. Phil Scott has pushed for cuts to Efficiency Vermont, an energy efficiency utility; a functional ban on wind power; and a new tax on electric vehicle charging, said Ben Edgerly Walsh of the Vermont Public Interest Research Group.

"This decision to further slow renewable energy in Vermont in the face of these attacks on climate action ignores that context and the fact that we need to speed up our action on (the) climate - not hit the brakes," he said.

© 2018 The Associated Press. All rights reserved.

Citation: Vermont reduces incentives for renewable energy program (2018, May 4) retrieved 24 April 2024 from <https://phys.org/news/2018-05-vermont-incentives-renewable-energy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.