



December 5, 2023

Sen. Chris Bray, co-chair
Rep. Amy Sheldon, co-chair
Vermont Renewable Energy Standard Reform Working Group
116 State Street
Montpelier, VT

Dear Senator Bray and Representative Sheldon:

AllEarth Renewables, Inc. (“AllEarth”) writes to you today in support of the retention of offsite net metering in any RES reform bill that the Working Group may put forward. By way of background, AllEarth is a Vermont company founded in 2008, and its specialty lies in the manufacture and sale of dual-axis solar trackers. Over 3,000 AllEarth trackers are installed in the State of Vermont, and over 4,000 in other states. You and the other members of the Working Group have undoubtedly seen them at locations such as UVM, American Flatbread in Waitsfield, VYCC and other locations throughout Vermont. AllEarth employs about 25 people and is expanding following the COVID-19 pandemic. The commitment of AllEarth and its owner to Vermont is well evidenced by our construction of a new state of the art headquarters in Bristol; the building construction is nearly complete, and we will be moving in by January of 2024.

As you are aware, offsite net metering has come under attack in recent times. The criticisms that have been leveled against it, however, fail to recognize a number of vital points:

- Offsite net metering affords significant and unique renewable energy opportunities for renters, manufactured homeowners, low-income families and homeowners whose properties are not conducive to individual solar installations. The reality of this point is straightforward. Historically, the benefits of solar PV have been concentrated in higher income single family homeowners; renters, and in particular, low-income renter households have not had access to the benefits of solar power. Few if any renters are likely authorized to put solar panels on the landlord’s roof. Multifamily housing units often don’t have land for ground mount installations, those units may have aging roofs that do not allow for installation of rooftop solar even if the solar exposure of the roof is good, and in the best of cases the rooftop or small ground mount installation would not come close to meeting the electrical usage of the families who live in the building. Nonprofit owners of affordable multifamily rental housing face similar challenges,

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where rooftop solar offsets only 20% of the building's electric load; offsite solar is the only viable option for connecting the benefits of solar to affordable multifamily housing. Similar considerations are present in manufactured home communities. It would be ironic if, at the same time that advocates and others are working tirelessly to address Vermont's acute housing crisis, we were to slam the door on a vital tool that will help mesh affordable housing and clean energy for those who need both.

- *The Inflation Reduction Act affords opportunities that are not yet fully in place, and those opportunities should not be foreclosed by the elimination of community-scale offsite net metering opportunities.* While many of us hoped that the various benefits conferred by the Inflation Reduction Act ("IRA") would be more clearly and fully implemented by now, that is not the case. We do know, however, that the "direct pay" provisions of the IRA, in providing at least a 30% credit to renewable projects installed by nonprofits and municipal entities, make ownership of those projects by those entities vastly more feasible than was previously the case. In the current utility monopoly structure long established under Vermont law, offsite net metering is typically the only meaningful way for those entities to get the renewable energy produced by those projects to municipal buildings or renters or served by nonprofit entities. It makes no sense to throw away what we know can work, given IRA uncertainties and that, to AllEarth's knowledge, no one has come forth with a comprehensive viable alternative.

- *Community scale offsite net metering is consistent with responsible land use protection and stewardship.* During the discussions held at the Working Group meetings to date, land use concerns have been raised by some Working Group members. While a transformation to full beneficial electrification will require renewable generation of many types and sizes, community scale net metering projects can represent a highly efficient and compact use of land resources. A 150kW AllEarth tracker project' for example, can often be installed on less than two acres of land, and will generate enough electricity to serve about 30 homes. Smaller projects also can offer greater locational diversity and smaller adverse overall impact should an operational issue arise with any one of those projects.

- *The current narrative surrounding net metering costs must not be accepted without significant question.* Net metering rates have dropped significantly in recent years. The large-scale alternative sources that some have endorsed, particularly offshore wind, are not rapidly materializing and in several instances projects have been withdrawn, delayed or become vastly more expensive. If we are to take beneficial electrification seriously, we must take equally seriously the reality that we need new renewable generation. We know that small scale solar can be built and that it works.

While we cannot live in the past in planning our Vermont energy future, we likewise cannot disregard the past. The federal PURPA statute passed in 1978 opened the door to entrepreneurial creativity as a way to meet the 1973 and 1978 energy crises that arose under a system of regulated monopoly electric utilities. In spite of a myriad of challenges, PURPA and its implementation by the states has led to the installation of renewable energy projects of all sizes and types, and Vermont is no exception. Vermont's allowance of offsite net metering by statute

many years ago has brought solar to thousands of Vermonters, often built and installed by Vermont businesses like AllEarth and others. The direct customer relationships between Vermont residents and those companies have yielded innovation, local employment and the many other benefits that flow from local businesses to the communities they serve. To treat the provision of electricity as a bottom-line commodity would be a mistake. While the owners of a local bakery or the vendors at our farmers' markets might make the same amount of money providing their goods to chain stores, few if any of us would be indifferent to the loss of their presence in our communities. The provision of renewable energy should be viewed the same way.

Thank you for the Working Group's consideration of these comments, and AllEarth looks forward to continuing participation in the discussions around these vital topics.

Very truly yours,

David Mullett

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