

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.100	
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**DEPARTMENT OF PUBLIC SERVICE RESPONSES TO THE PUBLIC UTILITY
COMMISSION'S REQUEST FOR ADDITIONAL INFORMATION**

On April 16, 2019, the Vermont Public Utility Commission ("Commission") opened this rulemaking proceeding to review Commission Rule 5.100, which governs the construction and operation of net-metering systems and other small renewable energy plants under 30 V.S.A. § 8007. In an order issued August 22, 2019, the Commission requested additional information to assist in this proceeding.

The Department of Public Service ("Department") submits the attached, *Department of Public Service Report on Public Utility Commission Net-Metering Information Requests*, ("Report") in response to the information requests issued by the Commission on August 22, 2019. This Report was prepared by Department staff and begins with an analysis summarizing the reasoning and research behind the Department's net-metering compensation straw proposal. As an overview, the Department submits a straw proposal for net-metering compensation and recommends adjusting net-metering compensation to minimize cost shifting between net-metering participants and non-participating ratepayers. The Department's straw proposal reflects the avoided costs of these distributed intermittent generation resources. While the Department does make some recommendations to improve the preferred site review process in response to the Commission's questions, it largely defers to regions and towns regarding the joint letter process. The Department anticipates further discussion of siting concerns after review of other stakeholder perspectives.

The Report then concludes with the Department's specific answers to the questions posed by the Commission and a marked-up copy of "Attachment B," the Commission's worksheet on net-metering registrations. The Department supports improving and streamlining the net-metering registration and application process where practicable. However, the Department does not support the Commission's proposal to also use 5.105 registrations and

5.106 applications as interconnection applications. If the Commission decides to make this change, as stated in its May 17, 2019 comments, the Department maintains the net-metering registration contains insufficient information to effectively serve as an interconnection application and enable full review, especially in the instance of larger (e.g., at or above 100 kW)¹ roof mounted projects. The Rule 5.500 application form requests more technical information, with which a study may be conducted, than "Attachment B."² Much of this information should be included if the registration is to serve a dual purpose. If canopies are added to net-metering registrations, additional electrical safety information is also needed (e.g. clearance heights). The Department recommends that this issue be addressed in a workshop, after receipt of comments by stakeholders, as well as in the Rule 5.500 rulemaking in Case Number 19-0856-RULE. The Department also wishes to engage in discussion about the role of storage technology in interconnection applications in both cases.

While the Department has provided comments, in DPS Appendix II – Markup of Attachment B, addressing the Commission's requests for modifications to the net-metering registration form that would help it serve the dual purpose of interconnection application, that is not the only option. Another pathway the Commission may wish to explore is to completely decouple the net-metering and interconnection processes, and instead address interconnection of all net-metered facilities entirely within the context of the interconnection rule (Rule 5.500). The Rule 5.500 interconnection rulemaking remains open (Case No. 19-0856-Rule), and so the opportunity presents itself to reform and future-proof that rule to better serve small and distributed resources, including other advancing technologies such as battery storage and, in the future, vehicle-to-grid technologies, microgrids, virtual power plants, etc. Then, the main question that would remain for the Commission to address in the net-metering rulemaking would be one of timing and the interrelationship between the two rules.

Thank you for the opportunity to comment on this matter, please do not hesitate to

¹ The Department recognizes that the level of interconnection study and review may vary by size of generator and the circumstances of the distribution utility circuit. As such, the Department requests utility comment on the necessary information as well as how storage technologies should be assessed in both this case and Case No. 19-0856-RULE.

² See VERMONT PUBLIC UTILITY COMMISSION ATTACHMENT 1 TO RULE 5.500, *available at* https://puc.vermont.gov/sites/psbnew/files/doc_library/5500-revised-application_0.pdf.

contact me with any questions.

Dated at Montpelier, Vermont, this 1st day of November, 2019.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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cc: ePUC Service List