STATE OF VERMONT
PUBLIC UTILITY COMMISSION

CASE NO. 19-0855-RULE

PROPOSED CHANGES TO PUC RULE 5.100

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Via GoToMeeting

Workshop held before the Vermont Public Utility Commission, via videoconference, on July 27, 2021, beginning at 9:30 a.m.

P R E S E N T

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MR. MARREN: All right. We will go on the record and begin today's workshop. Good morning everyone. This is a workshop in Vermont Public Utility Commission Case No. 19-0855-RULE. It's a workshop regarding the net-metering rule and specifically issues related to the Sheffield-Highgate export interface.

My name is Jake Marren. I'm staff for the commission. With me from commission staff are Mary Jo Krolewski and Elizabeth Schilling and Rowan Cornell-Brown. Also we are joined today by our three commissioners: Chair Anthony Roisman, Commissioner Margaret Cheney and Commissioner Riley Allen. They will be participating in today's workshop as well.

There are quite a few number -- quite a few people participating in today's workshop, so I'm not going to ask other people to introduce themselves at this time. But I do request that when it comes time for the group to speak, please make sure your camera is turned on if you have that ability. And state your name and the organization you're affiliated with for the court reporter's benefit. And also try to, you know, not over -- you know, speak over each other. We do have a chat function, and we will be watching that if you have a question

and you want to throw it into the chat function, that's a good way to sort of get in the queue. And we will get to your question or your comment in an orderly fashion.

If for some reason you lose connectivity during today's workshop, you can, you know, try to rejoin, but if you're not having luck, you can contact the clerk of the commission at 802-828-2358, and we will work with you to try to get you reconnected.

Also there is a court reporter today transcribing today's workshop, and the slides will be posted online. So hopefully with that, you should be able to keep abreast of what's going on.

So a brief overview of the agenda for today's workshop. We are going to start with just a little bit of background information. Staff is going to run through the procedural events that have led us to where we are today, and go over the department's proposal for SHEI mitigation fee. The department offered kindly in comments submitted last week to answer some questions about its proposal, and I think we do have a few. After we get that sort of background information out there, we are going to talk about some implementation issues related to the

fee and how -- if you're joining us by phone today, please make sure you're on mute. Thank you.

I was just saying we will discuss some implementation issues related to how we could get a mitigation fee into our net-metering rule if that's the direction the commission decides to go. We will also talk about some other potential changes to the net-metering rule related to the SHEI and constraint issues.

And then at the end of this we will talk procedurally about what next steps to take to move this case forward. So, procedural background. I'm not going to read this long slide to you, but I'm going to -- I'm sure as many of you are aware, several cases have led us to where we are today. Back in 2019, the commission denied an application for a 500-kilowatt net-metering system that was going to be located in Derby which is in the northern part of the state where there is the Sheffield-Highgate export interface. And the commission denied the project finding that the project could not be economically served by the existing transmission system. And that also it was inconsistent with the state's Comprehensive Energy Plan.

That decision was later upheld by the

Vermont Supreme Court. And as a result of that, there was a sort of a slow down in development of some projects that were already proposed in that area and also, you know, new projects. The department worked with stakeholders, including developers and the utilities, to try to come up with a way to facilitate the continued development of some projects up there, but while avoiding the harms that were identified by the commission in its order.

And that resulted in the petition. It was filed in Case No. 20-3304-PET where the department proposed a mitigation fee. And we have an uncontested proceeding to review that proposal. And we will talk about the substance of the proposal in a second, but just sort of procedurally we had a couple workshops, we had several rounds of written filings, and folks were allowed to ask questions of the utilities about how they had arrived at the calculation of the proposed fee. Staff's sort of characterization of that proceeding was helpful. It was good to get that information out there.

There seemed to be a general consensus that a few could address some of the economic impacts addressed -- associated with new generation in the SHEI. But there were questions about how best to

implement it. And I think that there was -- the larger view was that a rulemaking was the most appropriate way to go forward. So we are here in the net-metering rule.

I want to make clear though that the commission has not decided whether to adopt the department's proposal. Participants should feel free to advocate for or against the proposal or for modifications to the proposal.

In today's workshop we are trying to focus mostly on implementation though. If the commission did decide to adopt a fee of some form, how would we do it? What kind of things do we need to be thinking about and putting into a rule to accomplish that?

And then, like we have said, there may be other changes to the rule that are necessary to address SHEI issues. So in addition to the fee, there could be other changes, and we will discuss those during today's workshop.

So just to quickly review the department's proposal. Thank you, department. It was a pretty straightforward and simple proposal in my estimation. It was a $75 per kilowatt fee. It was going to be collected up front at the time of

application and then those revenues would be distributed to the utilities affected by curtailments of existing generation in the SHEI.

At this time I'm going to turn the slides off, and I think some of the commissioners may have some questions for the department about the proposal. And also after the commissioners are finished, we can open it up to anyone else who is participating in today's workshop to ask questions of the department about their proposal.

So with that, Commissioner Allen, I think you had expressed to me that you have some questions, so I'll let you go first. And then people can raise their hand or put them into the chat if they want to ask more questions of the department at this time.

MR. ALLEN: Okay. Can you hear me okay?

THE COURT REPORTER: I can.

MR. MARREN: Yes, I can. Thank you.

MR. ALLEN: So my questions -- I don't really know if my questions are directed to the department, to Green Mountain Power, or to Vermont Electric Co-op. But my questions really concern scope. What is, you know, if you will, kind of

included versus what is not included within the scope of the proposal. It's not so much that I have a concern with what is being put on the table, but I just wanted to be clear if there were other things that are kind of also impacts -- relevant impacts that we should, you know, consider for the future, if you will. So I'll just kind of run through them.

The first, I guess, is that there is kind of a -- there is a potential LNP impact associated with, you know, the further additions to the net-metering frame and the SHEI area. And I'm not sure if that's kind of a net benefit or a net harm to any interests in Vermont. But if there is, I would like to at least be aware of that.

The second is with the addition of -- additional kind of net metering or distributed generation, within the SHEI area, there is, you know, potentially a growing need to address, you know, the challenges within the region that might precipitate the need for, you know, a transmission -- a bulk transmission fix or transmission fix, or maybe even distribution fixes along the line, and that challenge may be growing over time.

And my perception is that's not really what the department's straw proposal is about. It's

really about addressing the, you know, lost revenues that -- or other -- or associated harms to ratepayers.

And the third thing that comes to mind is the fact that the areas outside of the SHEI area, we are talking about the SHEI area, and I know that in VELCO's plans they have been talking about the growing footprint of the SHEI area. And that, you know, with the addition of net-metered or distributed generation in the SHEI area, or beyond, there may be a growing risk that the problem or the footprint is going to be expanding.

And I just want to be clear that, you know, the proposal that we have on the table is not addressing that. So my question is really do I have that right, or am I not seeing the problem clearly?

MR. McNAMARA: So this is Ed McNamara, Planning Director with the Department. I'll take a first swing at the answers, and then I think some of the folks from GMP, VEC and potentially VPPSA, might want to weigh in as well.

With respect to the scope, just to make sure I understood -- well Mr. Allen can correct me if I didn't -- I didn't fully answer the question. The proposal is meant to mitigate all economic harms.

There is two utility-owned projects and a number of projects within the SHEI that have long-term PPAs, and therefore, reduced economic benefit associated with those PPAs as more generation is added in the SHEI.

There are at least one or two utilities that do not have generation within SHEI, and do not have any PPAs associated with generation in SHEI, and those handful of small utilities actually receive a benefit through SHEI because of the lower LNP in that area. The lower LNP is a benefit to all the other utilities as well.

However, the economic harm associated with reduced benefits of the contracts or utility-owned projects outweighs that reduced LNP. So I think that answered your first question about the LNP impact.

Second, growing need to address challenges. So the proposal was not meant to -- the proposal was simply meant to address the economic harm associated with new generation within SHEI. It was not meant to provide a long-term fix. Just as a side note, the department is aware that some, VELCO, I believe with some other utilities, has put in a proposal for federal funds through the recent

infrastructure act, excuse me, infrastructure bill that would identify, I believe, at least one of the transmission lines in SHEI for potential upgrades. Somebody can correct me if I got that wrong.

I will note from the department's perspective, that would help address the impact, the level of the adjustor. I'm not sure it would get rid of the need to have an adjustor in SHEI. It's not clear at this time. It's not clear whether Vermont would be getting the money to upgrade the lines, and it's not clear what the scope of the mitigation would be, even if the money was used and the line rebuilt.

MR. ALLEN: So Mr. McNamara, can I just interrupt you briefly there. I just want to be clear on something. So apart -- I mean putting apart the issue of federal monies that might become available, it seems to me that the challenges that we are seeing associated with the additions of additional distributed generation are, in essence, kind of precipitating a future need for some sort of infrastructure project. And the more additions or the, you know, well the more additions of projects to the area seems to me that the infrastructure project in the future is potentially going to grow larger, the challenge grows bigger, and that it's a ratepayer

issue. But it's not an issue that I think is within the scope of the proposal. To be clear, this is not a criticism. I just want to be clear on what is kind of in and what is not included within the frame of the department's straw proposal.

MR. McNAMARA: Yup. So it is not within the scope of the department's proposal. The idea of future transmission needs. In part, the department expects that sending correct price signals to areas where distributed generation can be more harmful than beneficial will help push back the potential need for transmission and attendant ratepayer costs.

Lastly, your question regarding areas outside SHEI, I think there is two components of that. One is, as you noted, there is a potential for SHEI to expand. I will note that VELCO's most recent published long-range transmission plan does not include the same graphic as the one three years ago that showed SHEI boundaries heading south. Talking with folks from VELCO, it's -- VELCO did not include that because they were worried that that original graphic created the expectation that there would be an orderly progression and change associated with the SHEI boundary, and depending on where other

generation is placed within Vermont load, that instead of SHEI I, which goes slightly south, it could immediately jump to SHEI III, which would be dozens of miles farther south and encompass a significantly greater area.

So with respect to the department's proposal, we would suggest and VELCO has agreed that they would be willing to look at the current boundaries of SHEI. It's not clear yet exactly how we would take into account the need for -- on the edge of those boundaries, to ensure that essentially we didn't skip the boundaries farther south than we wanted to. The identification of the boundaries is an issue, and I would suggest at some point, I don't see anybody from VELCO on the line, but it would probably be useful to include VELCO in some of those conversations.

And sorry for talking so long, but then the last answer is, I think, non-SHEI related areas where there is large amounts of distributed generation that might foster the need for transmission upgrades even absent SHEI, that is something that -- there is a potential for a grid adjustor to be developed within the net-metering rulemaking.

The department also believes that depending on how the interconnection rulemaking goes, if there is clustering -- cluster study requirements embedded in the interconnection rule, that might obviate the need for a grid adjustor in these non-SHEI constrained areas as well, and the department would be concerned about duplicating -- essentially duplicating price signals, one through the net-metering compensation through an adjustor, and another through the need to pay in for a cluster study.

That's all I have. I know other folks have been pretty heavily involved in this, so I'll stop talking for a little bit.

MS. CHENEY: I had a question related, Mr. McNamara, to what you were saying. And the number that the department has proposed is very specific. And common sense would say that that number could and probably would change over time as factors change as more generation comes on.

So can you envision a way that specific number could be more malleable? Or should it be a formula? I mean we don't -- one doesn't necessarily or regularly put specific numbers into either legislation or rules. So how would you attack that?

MR. McNAMARA: Yup. Great question. And I would say as distributed -- more distributed generation goes into the area, the impacts will increase. And conversely, as more electrification hits the area, that number should go down. There is lots of different factors -- apologize -- there is a train coming through. I hope it doesn't drown me out.

The department would recommend that -- not a specific number, the dollar amount be in the rule. Instead that there be a methodology and a process for updating that number. The department recommended every two years or up to 10 megawatts, whichever one comes first. And I did note, and it looked like David Carpenter noted the impacts associated with the B20/B22 line -- subtransmission line upgrades that I believe GMP has recently finished, or if not finished, hopefully it will be finished soon.

And it looks like Doug Smith is willing to respond. I'm going to stop talking and let him respond.

MR. SMITH: Hi folks. Doug Smith, Green Mountain Power. Just a couple things. Great conversation going.

First, on the most recent question that Mr. McNamara was alluding to, the one about GMP upgrades. So yes. There is a set of upgrades known collectively as Lowell to Morrisville, which primarily GMP, although supported by a couple of Vermont's municipal utilities as well, is underway on and pretty deep in the construction process. So that is progressing along and will -- there is always some uncertainty and potential lag to get physical upgrades reflected in the ISO New England administered limits. It's not a simple study process. And frankly, they have other interfaces to administer, ISO does. But fundamentally, we envision and expect that in the near term, whether that be later this year or next year, but sometime in the glacial sense soon, that those upgrades will meaningfully reduce the level of congestion that's been seen in the SHEI area.

I think Mr. McNamara is right though, that that's not the end. That to the extent future generation in the area is deployed, some of the, call it lead room, that's established between the amount of power that can be exported and the amount of generation and load inside the area that will be eroded. So it's not -- the SHEI area isn't solved in

a long-term sense by these upgrades. But they should really take the edge off financially in terms of their effect on Vermont customers.

I also just wanted to support -- there was a brief exchange with Ms. Cheney and Mr. McNamara about sort of the uniqueness of these adjustors. I guess I just wanted to pitch in the notion that the cost to Vermont customers can vary quite a bit based on the facts and circumstances of a certain area.

Mr. McNamara hit it on the head that the issue for Vermont customers in the SHEI area, that there is quite a bit more generation than load. In other circumstances, that might not be the case. There might be more of a balance between generation and load so that the financial cost of congestion to Vermont customers would be less. Where I'm headed is to support -- I don't remember his exact words, but Mr. McNamara's comment that the -- it seemed logical that a rule would give the commission hopefully a tool to examine the impacts or potential costs that could be associated with more generation in a given area. But to assess those on an area-specific basis, I have doubts that a formula or a prescriptive method would be easily applied. And I think that's okay. But it may take a thoughtful look and some evidence

to understand the implications and the -- whether an adjustor is warranted for different geographic areas. Thank you.

CHAIRMAN ROISMAN: Anthony Roisman. I have a question for you, Mr. Smith, in light of your last answer. Do you foresee the commission holding a hearing every time a new facility is proposed in the SHEI area in order to set the precise number that should be paid to the utilities? Given that in different locations around the SHEI the impact of say a new 500-KW solar project could be different, economically different. And if so, what kind of process are you proposing here? And how many of these -- I mean are these like going to be mini rate proceedings that the commission will have to hold to set what this dollar number is going to be?

MR. SMITH: My short answer -- it would be ouch. No, I think the -- no. That would be an inefficient way, and it's reminiscent, frankly, of what you all, the commission and a number of stakeholders went through in Derby Solar. The hope, my hope, would be, and I think -- I'm sure it's the department's hope, would be that a process could be established. The department's strawman adjustor is an example, where reasonable approximations are made

to reflect the impacts within some logical geographic area.

To your question, that $75 per KW adjustor figure that the department put in the strawman does, as your question suggests, contain some approximations and aggregation of sort of the average effect, if you will, of projects located within the SHEI area. To GMP's view, that approximation is close enough. And it would not be warranted to go further and distinguish, for example, the impacts of a net-metering project that's located in the east or west of the SHEI area, for example. Rather, better to focus on where the big areas are, the big boundaries like SHEI, or perhaps there is a major upgrade identified in VELCO's long-range transmission plan that implicates a geographic area, focus on the big stuff hopefully, and make approximations that are reasonable within.

CHAIRMAN ROISMAN: Let me talk about that. I want to make sure that I understand what you're proposing.

It sounds like what you're proposing will work well for the utility. But I'm not sure how well or how you are protecting the rights of the developer.

If the developer is located in the center of where the greatest impacts are, they are going to find the numbers acceptable. If someone's at the edge, they are not going to find that number acceptable because they are going to argue we have the opportunity, we should have the opportunity, to show you that we aren't going to cause as much backing out of the -- of Lowell or Sheffield as somebody in a different part of the area or even arguing about whether they are truly in the SHEI.

We don't yet have, no one has given us yet, a clear set of boundaries. It's not like you can say it's latitude this, and longitude that, and that gives you the boundary. It moves. It shifts. As new electrification comes in it's going to be different. As new supply comes in it's going to be different.

What are you suggesting is the way that this proposal is protecting the developer? Assuming they are not willing to just say oh, we will just pay it. And don't argue about it. They might pay more than their fair share. How are you suggesting they should be protected?

MR. SMITH: It's a legitimate point. My brief answer would simply, I guess be, yes. These

are legitimate concerns. And stakeholders including developers should have the opportunity to review and comment and provide evidence if an adjustor is being proposed for a certain area.

I'm just saying that an ideal outcome and a real benefit from an adjustor like a department straw proposal is that if it's found to be acceptable, reasonable approximations, it gets out of that project specific litigation, if you will, that your question started with. But clearly, are the approximations reasonable? They are used in a certain area. A party should have the chance to weigh in about it.

MR. McNAMARA: Chairman Roisman, if I can chime in here, I would say just and reasonable does not require absolute precision. For example, when setting the customer charge for GMP customers, you don't look at if you live in a rural area, the tree trimming costs are significantly higher than if you live in an urban area. There is not different tree trimming costs assigned to different customers. So -- and that's been a longstanding practice for a hundred years.

Of you take just and reasonable can mean you can take an average, and that can be okay.

And so the customer -- the interconnection customer, the developer, can opt to challenge that average fee adjustor, whatever, and have the onus of advocating for a lower one if they want. The same way that somebody who is not a net-metering customer, if it's a 5-megawatt or a 20-megawatt project, this wouldn't apply. They would have to come up with their own mitigation.

So the idea is to actually simplify and provide something so that you allow for more growth instead of fighting every single project regardless of the area, which the department's proposal is to try to come up with a more streamlined, efficient process for all involved. And overly focusing on precision, I think, will actually bog it down, and increase the amount of litigation involved.

CHAIRMAN ROISMAN: All right. So let me follow up on that, Mr. McNamara. It seems to me that instead of -- at least we should be considering that instead of the commission adopting a rule, we should simply say the developers, the utilities, VELCO, if necessary, should work out a deal. And if they come to us with a deal and say we are happy this time we are going to pay 86,000, next time we are going to pay 55,000, and negotiate it, that that is

the most efficient way to do it. It keeps us from having to use a lot of administrative process to hear somebody complain that they are being asked to pay more than they should have to pay based upon your average.

And this isn't like tree trimming. This is a lot of money. And it's a lot of money which is -- could fall on an individual, not just on the developer, but on the parties who are going to be using the power that's coming from that developer's project in terms of what they have to pay in order to get the project put together. Why shouldn't we just let you guys work it out in each case instead of trying to have a generic rule?

MR. SCHILLING: Mr. McNamara, before you respond -- sorry. Mr. Carpenter made a comment in the chat. And I just was wondering if he wanted to make that comment on the record since the chat function is not part of the record. Mr. Carpenter?

MR. CARPENTER: Yeah, sure. Greetings everyone. Thank you. Was that Ms. Schilling who said that? Hi.

So I don't want to jump in here, and I may get -- I may drop off because my internet connection is pretty terrible, which is a different

problem for a different day.

But I think what we tried to do, we were the developer whose Derby case was decided for us, we worked with Ed and other utility folks, Doug and Craig specifically, over several years.

(Technical difficulty)

MR. CARPENTER: Let me do this. Let me call in, and then I'll make that comment on the record, if that's okay. So continue on, and then I'll jump back in at some point.

MR. McNAMARA: Did you want to wait for Mr. Carpenter to come back, or do you want me to respond?

CHAIRMAN ROISMAN: I think it would be useful to hear from you while we are waiting for him to come back on.

MR. McNAMARA: Okay. So my response is that while that would be more administratively efficient for the commission, it would be significantly more disruptive to all other parties involved.

MS. CHENEY: Excuse me, Mr. McNamara. By "it," what do you mean?

MR. McNAMARA: Oh, my apologies. The idea that the department, the utilities, and the

developers simply make deals for every single project in SHEI would be extremely inefficient for everybody. It would reduce the case load at the PUC, and it would make life much more challenging for everybody else.

And so the department's proposal is that the commission decide on whether or not this process -- whether a methodology for assigning a generic adjustor is reasonable.

MR. MARREN: I'll just jump in for a second. This is Jake Marren from the commission staff. Chair Roisman, another thing to consider is that the very small projects, the registration size projects, still are moving forward at this point.

And I'm not sure that those types of projects necessarily have the wherewithal to negotiate. They may be single homeowners or small businesses. So, you know, it's one thing to ask, you know, sophisticated development outfits like Mr. Carpenter's office to negotiate a deal. It's another thing to ask individual customers to negotiate a price. So that would be maybe one reason for having a standardized price.

CHAIRMAN ROISMAN: Just so we are clear, the individual customer is using the large

developers to put in even their small projects. We don't have very many cases in front of us where a private individual is showing up without an installer involved, and at least in a number of those cases the installers are large companies that install hundreds, in some cases thousands, of these projects throughout the state.

But I'm not urging that we go in this direction. I'm simply trying to find out -- I mean we are hearing from Mr. Carpenter about one very large developer, a very large project. I would be really interested to hear from anybody who is participating in the workshop who do small projects and whether or not they and their customers are comfortable with the commission setting a one-size-fits-all number. And if they are, then that's fine.

What I'm -- what I would like to not do is -- it seems to me -- is to turn it into every single case becomes a rate making proceeding in which we have to decide how much the payment is going to be for this 150-KW project that's located in the east side of the SHEI, and that one that's located on the west side. And this one that's located in an area that maybe isn't in the SHEI.

I think that is not an efficient use of

anybody's resources. But I would like to hear from the little developers -- the developers of the little projects, but I would also like to hear Mr. Carpenter's comments.

MR. CARPENTER: So am I live? I see nodding. That's better. I've got my giant air traffic controller headset on now, so I think I should be okay. I appreciate the opportunity to speak to you all.

So Green Lantern obviously was sort of first out the door, first out of the landing craft and onto the beach and suffered a fate, excuse me, on the Derby project. We then spent several years working with Ed McNamara, Craig Kieny and Doug Brown -- Doug Smith rather. Doug Brown. To try to come up with a way to come to a settlement.

And I don't know how many of you were following along, but there were thousands of pages of legal briefs and filings, and it was a very inefficient way to move forward. And I'm not -- I don't want anybody to take this the wrong way, because we were at loggerheads with the utility, VEC, and, you know, Craig obviously has the -- can respond to me on this, and I'm not trying to be argumentative at all. But it was years and years and years of

litigation. Thousands and thousands of dollars and hours. And trying to get to a point where we could agree.

I think the impetus for agreement at the end of the day was the department's proposal which sort of helped us triangulate on what a reasonable number might look like, and ultimately we ended up entering into an MOU with the utilities, and just had one of the CPGs for these four state SHEI projects issued. And I believe Aegis, which was another developer in the SHEI, also had a CPG issued recently as well.

So we did manage to resolve the issue, but it took an awfully long time and an awful lot of litigation. I think what developers want more than anything, this is speaking for my company and nobody else's, is a level of certainty and a sense of that rules are being applied fairly.

Because during the interim, four or five years or three years, however long it was, it seemed like an awfully long time, about 5 megawatts worth of additional net metering went into the SHEI. And those were all small projects, under 150 kilowatts, most of them small, of the sizes that Commissioner Roisman was talking about, that have the

exact same impact as ten 500-kilowatt projects. Because they dump power in exactly the same way that a large solar project would. They are just a bunch of little ones. Maybe some -- you know, some percentage, I believe, less efficiency because they are on roofs and so on and so forth.

At any rate, it's a lot -- a lot of additional generation went into the SHEI during that time. And there was no mitigation fee paid by any of those folks. And look, I understand that there is a problem, and that it is easier to put it on the larger developers. But if the problem is congestion in the specific area that everybody is contributing to, then rather than having to litigate every one of those or litigating only those above a certain size because they are an easier target, I guess, doesn't really fix the problem. It doesn't really address the problem.

So for every kilowatt that goes on the grid, it has virtually the same impact as any other kilowatt that goes on the grid from a congestion perspective. So that's what developers are looking for, and I don't want to speak for smaller developers because a lot of developers that do residential are much smaller than we are. They don't do commercial,

industrial-sized 500-kilowatt projects.

And so, you know, I don't know that there are any of those smaller developers on the line, but it would absolutely be interesting to hear from them. But the idea of a per kilowatt adjustor that addresses the impact proportional -- in a proportional way certainly seems to make a lot of sense. And during the 3304 proceedings, you know, the suggestion was made that it be a tariff, not unlike the TGFOB tariff that was implemented, rather than a specific rule that the commission would come up with a specific dollar figure, but it would be almost like a biennial net-metering review to determine what those adjustors might look like, what the tariff might look like.

So that's really the only point that I really wanted to make is that a generally applicable rule should be applied across the board. Developers want certainty. We can build those, you know, issues into our pro formas and our internal modeling if we know what they are. But having a floating sort of discussion about every single one of these and what the impact is is hard to imagine being efficient for anybody on either side of the development.

MR. KIENY: Jake, this is Craig Kieny.

Can I chime in here?

MR. MARREN: Absolutely.

MR. KIENY: First of all, I'm happy to say that I agree with everything that David just said. I believe that the value of the DPS proposal is that it does provide certainty, although I recognize the point of Commissioner Roisman that not every specific project is equal. I think on average, we tried to arrive at something on average work.

I also agree that the DPS proposal was the impetus for the solution to the state project primarily because it gave us boundaries with which to work in. And even if we were to negotiate with every developer, we still need boundaries like that so that we knew what the -- what the universe of our discussion should be, you know, and some idea what the PUC would approve.

And then lastly, being the person that would have to negotiate with all these, I appreciate the observations of everybody else that it would be inefficient. Thank you.

MR. MARREN: Thanks, Mr. Kieny. Just to keep sort of rolling on our agenda here, I want to -- we had started this conversation as just sort of a chance to review the department's proposal and sort

of get any substantive questions about the proposal out of the way.

We have already sort of anticipated the next subject which is the implementation issues. You know, how often do we review it, and things like that. We are going to talk about that in a second.

I want to swing back and make sure that anyone who had a question about the department's proposal, what it is, how it works, get that out now before we move on to some of the more sort of nitty-gritty about if the commission were to take up the proposal how would we actually get that into regulatory language.

MR. ALLEN: Jake, I have one more question that I would like to get out there.

MR. MARREN: Sure.

MR. ALLEN: I think it's to Mr. Smith and Mr. Kieny. And it's really kind of a follow up to an area that I was asking Mr. McNamara about. But the way I understand the proposal, it's really kind of a lost revenue kind of calculation that they made. Is it fair to characterize it that way?

I'll ask Mr. Smith.

MR. SMITH: Yes. I think it is. As Mr. McNamara in his -- it's about the LNP effects on

load and generation, and to your original question almost at the start of this, I think Ed is also -- he's also correct, that our calculations -- the ones that we provided to the department and which support the $75 per KW figure, those do not, as your question anticipated, those do not assume a -- call it an additional or future capital upgrade, a grid upgrade that might be needed, and which at some point in the future could be larger than just the LNP effects we see today from the interface that ISO New England has established. Yeah.

MR. ALLEN: So my question then is would there be -- would we be at risk of double counting costs if we were to kind of somehow mix the infrastructure component with the lost revenue component, that -- that's already kind of captured here?

MR. SMITH: Good one. I think yes. There would be a theoretical risk. In other words, if we, for a certain area, if we were to base an adjustor on the estimated cost to implement a substantial upgrade that would clear up the observed congestion, if you will, then it would seem appropriate to keep that in mind, and either reduce or replace the LNP-based computation that I just

described.

But my sense is that this is the type of thing that although it would be case specific, would be my sense it would be manageable. Just have to keep an eye out for it.

MR. ALLEN: Okay. Thanks. That covers it.

MR. MARREN: All right.

MS. SCHILLING: Wait one second. There are a couple comments in the chat one from Mr. --

MR. MARREN: Thank you for watching that, Elizabeth.

MR. SCHILLING: No worries. One from Mr. Smith and one from Mr. Nolan, and I wanted to provide them, if they wanted the opportunity to share their comments on the record, before we move on.

MR. SMITH: Thank you. Doug Smith here. My comment -- the essence was simply that listening to the thoughtful exchange regarding the setting of locational adjustors, just wanted to inject the notion that my sense of how a successful process could work and what would be procedurally required, my own sense is that it could work similarly to how the biennial reviews today look at the other net-metering adjustors.

In other words, taking into account evidence and key themes, but that a rate case level of quality, to pick a term, would not be needed. In order to accomplish the goals that the department led out with at the beginning including, you know, avoiding unnecessary grid expenditures that could be avoided if we thoughtfully locate distributed generation.

That's not based in law, if you will, but it feels analogous to me. Thank you.

MR. NOLAN: Ken Nolan, Vermont Public Power. I just wanted to expand on the question Chair Roisman had asked.

A part that's not visible to the commission in these negotiations is taking the Derby Solar as an example, VEC and Green Mountain Power negotiated an agreement with the solar developer as to what the fee may be. There also had to be a negotiation behind the scenes amongst the utilities as to how those funds are allocated based on the impacts we are all seeing.

So one of the benefits we see of the department's proposal is it sets up a standardized process not only for dealing with the developers but allows the utilities to prenegotiate how those funds

will be addressed based on our individual situations.

And as Commissioner Allen had pointed out before, the VPPSA members have a disparate impact from SHEI. Some of them actually have no generation in the area and see a benefit from the constraint, while others are in the same place as Green Mountain Power and Vermont Electric Co-op where they have generation, and they are actually seeing a negative impact.

So each utility is positioned a little bit differently in this discussion.

MR. MARREN: Thank you, Mr. Nolan.

MR. ALLEN: Jake, I do have one more question.

MR. MARREN: Sure.

MR. ALLEN: It's probably directed at Mr. Smith and Mr. McNamara. But I mean the straw proposal on the table is kind of an up front, you know, fee, based upon the per kilowatt amount.

And correct me if I am wrong, but it seems to me that there is potentially a more elegant way, maybe a more complex and probably administratively impractical, but another way of structuring this that kind of might encourage new projects that come on line and kind of manage their

load. You kind of stream the payment over time in some way that kind of encouraged them to align their production with, you know, the risk of curtailment orders that flow. And, you know, obviously coupling the storage over some such thing.

That's probably a little bit too out there at this point, but I just want to ask if that was considered and taken off the table because it just was administratively impractical.

MR. McNAMARA: So I'll just throw out something. First which is the straw proposal really was meant to just be to garner ideas and create discussion. The upfront fee we recognize is more burdensome for net-metering applicants. And doing something, as Commissioner Allen just noted, is more burdensome for the utilities.

And so we threw out sort of the simplest option, but where the department is open to other possibilities of collecting this. It could be simply a reduction in the per KW for a set number of years that adds administrative complexity to the billing. The department is a little bit concerned about trying to time -- trying to align the production timing with SHEI constraints. There are periods where SHEI's constrained for many hours of

the day for -- in sort of a known, you know, in the spring a lot of wind, a lot of hydro, a lot of solar all happening. Yeah. There is more likely to be constraints. And then occasionally constraints will pop up for 5-minute increments at a time and go away.

And my understanding, and Mr. Smith or Mr. Kieny can correct me on that, is that these small increment constraints were actually fairly prominent. It wasn't just 5 percent of the total constraints. It was actually a significantly higher number. So the department is a little bit worried about the ability to send real-time signal, to respond to that real-time signal in these really small increments.

And I would look to Mr. Smith or Mr. Kieny whether I got that last bit right.

MR. SMITH: Do you want to swing at that, Craig?

MR. KIENY: Sure. I'll take the first part of the question, regarding whether there's more elegant way to do it. From a theoretical perspective, you're correct. But did we consider it at all? For a very, very short period of time, if at all. Because it was clear to me that it would be extremely difficult to implement even if we had all the information.

One big problem is that the SHEI is mainly in VEC's territory, but we do not have the information on the congestion until after the fact. We can't -- we don't have the information to see it coming or to -- KCW gets a "do not exceed" signal, but we do not get that signal. So it would be extremely difficult for us to implement.

And with respect to Mr. McNamara's comment about the short intervals, I forget now exactly what percentage of time the short increments factor into our analysis, but it was a meaningful number.

Doug, do you want to follow up on that?

MR. SMITH: Yes. Just briefly. I think Mr. McNamara is right. A couple points. The nature of the congestion in SHEI. This amounted to several million dollars a year, just as you may recall, an order of magnitude or -- of net impact or estimated to Vermont customers. That resided in the last few years. That only represents something like 10 percent of the time. I don't think more than 15, that is 85 or 90 percent of the time the interface is not congested.

And it is a little bit of wild animal in terms of -- it can be challenging to the applicant

when it will occur.

Okay. But so to Mr. Allen's comment, it's simply -- I would say GMP's thought was that the approaches that he alluded to are valid. Don't want to write them off. Our judgment was though that the department's proposal had the benefit of simplicity and get something useful on board in a reasonable time frame, call it -- don't let the perfect be the enemy of the good, if you will.

My only other comment is some of the tools that Mr. Allen alluded to, I think they could be pursued in a subsequent program. For example, if there were a congested area in GMP's territory and it's costly, okay. Maybe we work that into the controlled load programs or home storage offerings. And that's another use case that could be deployed toward -- I don't think it's either or. Thank you.

MR. MARREN: A follow-up question for you, Mr. Smith. Mr. Kieny mentioned that, you know, the ISO New England sends its dispatch signals directly to the plant, like Kingdom Community Wind, but then that signal doesn't get translated to VEC in real time. They get it after the fact.

Does GMP have a different level of communication that allows it to receive those ISO New

England signals at the same time?

MR. SMITH: I guess the short story is we are able to see SHEI congestion in near real time today because Green Mountain Power is the operator on Kingdom Community Wind. So you may recall that colorful chart we had in the memo to the department last fall. We can see basically when the DNE limit on Kingdom Community Wind drops below its potential generation as a signal, as a normal course of business. I think it's possible that we may be able to scrape from other ISO sources a flag of when the SHEI interface is congested and use that as a tool to overcome this barrier.

For this morning I'll just say I'm a little rusty, so I'm not going to -- I don't want to be more definitive than that. We might be able to develop another way.

MR. MARREN: Is it the case that ISO New England's curtailments apply sort of equally to all generators in the SHEI that they have control over, or is it do they dispatch in economic order so it's like Kingdom Community Wind is being curtailed but the Sheffield wind plant is not?

MR. SMITH: Good question. No. A hallmark of the current operating framework or

regime, the so-called DNE, or do not exceed framework, is the latter one that you describe. Basically a dispatch function mostly based on the energy offers of if there is an export-constrained area, it's the relative offers for additional energy from generating plants, and that includes renewables, are used to select if a certain amount of energy needs to be backed down to select who that is.

There are also locational factors which I'm not going to -- unless you want me to --

MR. MARREN: No.

MR. SMITH: -- try to repeat in this call. But that can also differentiate generators within the SHEI area. To be literal, in most conditions a megawatt curtailed at Sheffield or Kingdom Community Wind has a bit more relief effect, if you will, on the interface than a megawatt curtailed at some other generator. That's an example.

MR. MARREN: Thanks. All right. I think Patty Richards wanted to speak. Maybe by phone, since I don't necessarily see her on the video. Patty, can you hear us?

(No response)

MR. MARREN: All right. Maybe I'll

come back to that. She sent me a message saying she had a comment, but sounds like she is having technical issues right now.

All right. I'm just going to share a slide that we had prepared that just listed some of the sort of implementation issues that staff had thought of. Many of them have already been raised, but I wanted to let people respond specifically to any of these if they had thoughts.

Out of the bullets one that jumped out at me in the conversation already is people mentioned the sort of notion of putting a formula or something like that into the rule as opposed to the $75 number. So do we need to do more work to put that formula in writing? Or is that something that the stakeholders already have on paper somewhere and it just needs to be shared with us?

MS. CHENEY: May I briefly interject? This is Margaret Cheney. That another way to do it, and I think someone may have alluded to it would be to include it in the biennial adjustor portion of the rule so that there would be an automatic reexamination on a regular basis.

MR. MARREN: Right. So yeah. So any of those -- now's the time I think, you know, what do

people think about what's the best mechanism for one authorizing a fee? And then two, adjusting it periodically.

And I'll take down the slide so that people can see each other.

MR. SMITH: Doug Smith here. GMP. I would just offer that a whatever, practitioner who tried to support the department in its efforts, my sense is that the process might logically include something along the lines of what the -- of what unfolded in the prior uncontested proceeding where the -- where a proposal is made including -- that lays out the concept and the major, you know, assumptions and methods that underlie it.

My sense is parties -- might warrant parties having a chance to comment about that and ask questions. Just putting it a different way, it would seem difficult to me, I'm sorry to say, but it would seem difficult to skip that step. It's too unique, too arcane, and parties may not be satisfied with -- I don't think -- with the result without a chance for that type of interchange.

MR. McNAMARA: Agree with that. There does need to be transparency associated with it. There does need to be an explanation of how the

methodology works.

I will say having worked with Mr. Smith and Mr. Kieny and their calculations of this, it's not the most enjoyable task going through the methodology, but it's also important that that be transparent and public as well as the assumptions that would go into it. Because this is essentially, you know, it's essentially a model, and you need to feed it, you know.

Recognizing that they need to be regularly updated, people need to be able to actually take a look and kick the tires on that. I think that's absolutely critical in doing that. With process --

(Technical difficulty)

MR. McNAMARA: I'm sorry? With respect to the overall process --

MR. SCHILLING: We can't hear you. Maybe you need to call in.

MR. MARREN: All right. Maybe -- it looks like Ed is taking a pause for a second while he gets his situation worked out.

Did Ms. Richards from WEC get back online and does she want to offer her comment while Ed gets straightened out?

MS. RICHARDS: Happy to, Jake. Can you hear me?

MR. MARREN: Yes. Speak up, please.

MS. RICHARDS: Okay. Thank you very much. I'm having some technical difficulties here in East Montpelier. I think all of us are at this point.

The only comments that I wanted to make, just broad general concept comments, is that WEC supports -- Washington Electric Co-op has 85 percent of its power supply both at Sheffield and the Coventry landfill gas plant. 85 percent of its generation is within the SHEI. We have no load in the SHEI, and the comments and question about net benefits, we are significantly harmed by the impacts of more generation being located inside the SHEI.

We have spent millions of dollars on the Coventry plant, and we have significant long-term investment in the Sheffield wind project via PPA.

Our concern is it feels like the existing projects have been left to the wayside to fend for themselves. The ratepayers of Washington Electric Co-op, the members of Washington Electric Co-op, bear the brunt of added generation coming into the SHEI in the sense of less value, less payments,

less energy revenue coming in from the Coventry plant and the Sheffield project. That is translated to real rate pressure on to our consumers.

And I support the department's proposal of sending a price signal that this area is not the best area for developers to develop. There are other parts of the region of the state that we certainly could deploy renewables, and we want to see more renewables coming into the state, just not areas that harm existing renewables.

So we are very much encouraged by having a price signal mechanism. It may not be perfect, but I think that the general scheme of having a price signal to tell developers that this is not the greatest place to develop is a good thing. And there are other parts of the state that don't have transmission constraints, and really encouraging them to move to other parts of our state that have transmission capacity makes sense. It's good for the ratepayers.

WEC does not want to see more increased rate pressure due to added generation in the SHEI. That's all it's going to do is just continue to pile on rate pressure for WEC members. So I just want to put that general point out there that we are in

support of a price signal mechanism that basically encourages developers to develop in places that make sense.

Having new development in this region just hurts existing renewables. And that's not in the public good, and that's not good for the state and WEC membership.

Thank you.

MR. SCHILLING: Ms. Richards, could you clarify by price signal mechanism are you referring to the department's current proposal or something else?

MS. RICHARDS: Yes. I am referring to the department's proposal. WEC is in support of the price signal as the department has put out.

MR. SCHILLING: Okay. Thank you.

MR. MARREN: All right. Ed sent me a text. I think he's going to be a few minutes while he gets his computer system worked out.

So if anyone else wants to, you know, address what we have been discussing here, these topics, feel free to jump in now.

CHAIRMAN ROISMAN: I have a question for Ms. Richards.

Ms. Richards, what I hear you saying is

that from WEC's perspective the best outcome is that no new renewables be built in the SHEI area. And if that's true, why do you think this particular dollar number is the price signal that will stop that from occurring? What we are seeing is, we certainly heard it from Mr. Carpenter, is the developers are more than happy to pay it and still go ahead and build, which doesn't seem to be accomplishing what you would like. The price signal that I think you're asking for is one that would essentially stop the development in the SHEI.

Am I misunderstanding what you're seeking from WEC's perspective?

MS. RICHARDS: I believe from our perspective the concept of the cost causer would pay would be implemented here. What I mean by that is in the structure of building generating plants across New England, the last developer that comes to the table that basically -- that causes a congestion issue on a transmission line would have to pay for that transmission upgrade.

In the ideal world, the small development that we are seeing here in the State of Vermont would follow that cost causer principle in correcting the situation if they want to come online.

I recognize -- WEC recognizes that the small development can't afford to do that. So we certainly understand that it is causing rate pressure for Washington Electric Co-op.

We would settle for the imperfect solution to this, and -- in support of the department's proposal of a per KW fee. We think that's an imperfect solution, but I would rather at least have that than nothing at all. Because it does start to tell developers that there is an issue up here, and perhaps they would start looking in other places.

So I'm not going to die on the sword for the perfect solution in that no development occurs in the SHEI region. But I think a price signal makes sense, and it's a place for us to start. And if we have a per KW fee, then we can work on that over time, and as new development comes in, can potentially increase it or make adjustments to it as needed.

So we -- WEC is willing to settle for an imperfect solution to this in the sense that it sends a price signal, and it's an attempt to move in the right direction as we move forward with development in the region.

At the end of the day I just want to put a voice out there that we can't forget about the ratepayers. Electric rates have gone up because of this, and I'm vastly concerned about that. I just really want to make sure that that's on the record.

MR. SCHILLING: Ms. Richards, to clarify, do you feel that the department's proposal would address the economic harm that ratepayers are seeing right now in WEC's territory?

MS. RICHARDS: I think it helps. I don't think it perfectly solves for that, but it helps. And as I said, we are willing to accept an imperfect solution to this so that we can at least start making progress instead of having no price tag associated with it at all.

CHAIRMAN ROISMAN: Ms. Richards, just one last question for you.

Would you propose, would WEC propose, a higher per kilowatt fee? Remember this is just a proposal from the department. Ultimately the commission, if we are going to set a number here, could set a higher number or a lower number as well as no number.

Would WEC recommend that we have a higher number?

MS. RICHARDS: At this point we have not secured consulting time to defend the higher number, and I'm willing to live with the department's proposal at this time. Our thinking is the concept of getting a per KW fee in place is the first step, and then once that's in step -- in the event WEC would like to spend gobs and gobs of money on a consultant to defend a higher rate or a higher per KW fee, then we could at least do that.

Right now we at least need to get the mechanism in place to charge a fee, and then I think after that point WEC could eventually come in, if it so desired, to defend the higher fee or propose a higher fee. But at this point we would like to see at least the concept of the mechanism of a per KW -- dollar per KW fee in place implemented. So that's the first hurdle we would like to clear.

MR. SCHILLING: I see Mr. McNamara is back with us. Are you able to talk now?

MR. McNAMARA: Can you actually hear me? Is the clarity okay?

MR. SCHILLING: Yes.

MR. McNAMARA: Okay. Great. Thanks. Coherent is a different matter.

So I believe I was talking about

methodology in terms of the department would be amenable to -- given the methodology spelled out in the rule, or simply something that's one line saying utilities may adopt a grid adjustor after appropriate opportunity for review and, you know, by interested stakeholders through a tariff mechanism. That's an alternative way of doing it.

Given the significant pace of transition that we are seeing in the electric sector, I have been leaning much more heavily towards let's do things more in a tariff setting that can be updated provided there is opportunity for stakeholders to weigh in. Appropriate opportunity -- well not just appropriate, but always having the opportunity to go to the PUC to contest what is put in a tariff, what's put forward.

The department does have some concerns generally with putting things into a rule that are then hard to unwind or modify later on. So it's not a firm, you know, decision. Just telling you where that preference for a tariff comes from.

MR. MARREN: Thanks, Ed. That's helpful. So expanding on that idea a little bit more. Would the department think that the authorization, let's call it that, say we had a rule

that authorizes the utilities to file proposed tariffs, should those tariffs only be allowed for utilities that are located in the SHEI area? Or should we be a little bit broader? Should we say any export-constrained area? Or are there other kinds of constraints that could be amenable to a similar type of solution that we could authorize utilities to address?

MR. McNAMARA: Yup. So I think the language of export-constrained area helps cover pretty much any current SHEI boundaries and potential future expansion of boundaries. Recognizing that, for example, Green Mountain Power would have to explain, yes, SHEI has now gotten to our service territory, and therefore we are filing a tariff.

With respect to other types of constraints, the most recent VELCO long-range transmission plan did identify in certain areas, depending on continued growth of distributed generation, there are potential upstream or transmission impacts. So in other words, you might be able to site something from a distribution perspective, and it would have impacts on the transmission system.

That's something that the department or

I should say -- I have been going back and forth. I've thought maybe it's something where you provide a price signal and net-metering compensation. And I mentioned this before, earlier today, depending on what the commission decides in the interconnection rulemaking, if the commission decides that cluster studies can be appropriate for these type of areas, then that may be sufficient and a better way to address these potential upstream impacts.

The department would be concerned with having a compensation adjustor in one area, you know, or a compensation adjustor to address these upstream impacts through the net-metering compensation rule, and then also having in the interconnection rule a requirement that all net-metering customers, and this is a hypothetical, all net-metering customers would have to pay into a cluster study to interconnect, recognizing the upstream impacts there. That would be essentially a double penalty for lack of a better word.

And so I think it's worthwhile understanding -- it's sort of unfortunate because they are two separate rules. I think it makes sense to keep those in two separate rules. But it may make sense to continue talking about both aspects or that

aspect in both rules and understand what is the more appropriate mechanism to recognize those upstream transmission impacts, whether it's through net metering compensation, or whether it's through cluster study requirements, or some other mechanism that somebody else proposes.

MR. MARREN: And just to clarify, when you say pay into a cluster study, the costs you're referring to there are the costs of the transmission fix or upgrade. Not the cost of the study itself.

MR. McNAMARA: It could actually -- it would be both to a large degree. The study itself can be fairly expensive, depending on whether it triggers a need for an ISO study or a study that meets ISO New England's requirements, or whether it's something that VELCO can do on its own without necessarily jumping through all the ISO New England hoops.

And I will say I'm just getting -- starting to get over my skis in terms of how this would work. And I guess I would just recommend thinking about there is two different mechanisms to address the potential costs associated with -- the potential economic costs associated with needing to build transmission to accommodate distributed

generation in some areas.

The department's not entirely sure what the best mechanism is at this point.

MR. MARREN: Okay. Would anyone else have any thoughts about sort of best -- or ideas about how to best implement a mitigation fee if the commission did that?

MR. SMITH: Doug Smith here. GMP. Just briefly, reflecting a little and adding to one of my comments before. I do think that process wise if the commission goes down this road, it will be helpful to have -- whether it's the department or another sponsor of a locational adjustor, lay that out pretty early in the process to sort of -- supporting my earlier comment to give stakeholders a chance to just look at it and ask questions.

Secondly --

MR. MARREN: One second, Mr. Smith. I just want to follow up. How would that process be different from what we did in case 3304? There was a memo that was put out where GMP and VEC sort of laid out how they arrived at $75 a kilowatt. And, you know, there was an opportunity for folks to look at that and to contest the number, and I know some utilities at least wanted a different number at one

point. So, you know, I definitely -- I'm all for process. Process is what the commission makes, so we can do more process, but is it something different than what we did in that other case?

MR. SMITH: Ah. Thank you. short story, I think my response comes down to do at least that. In other words, at least have that opportunity. I was reflecting on some of the -- like in the biennial process if that's where it goes. Make sure you leave enough time for that, for, like, a round of feedback, because it may be new material and arcane, I think is what I'm trying to say. Leave room for it. If -- from a scheduling sort of perspective.

MR. MARREN: Maybe we are talking past each other. Are you referring to sort of updates to the fee amount going forward? Or are we talking about sort of in the first instance the commission's going to do a rulemaking say, and issue a draft rule that says that utilities may have fees. They are going to look like X, Y and Z, and then we would have the rulemaking process?

So what I'm trying to figure out is should we be doing something before we get to the rulemaking process to explain how this fee was

developed, or are you talking about after we get a rule in place it's going to have a process that it spells out for every 10 megawatts or every two years we look at the fee again.

MR. SMITH: More the latter. Yeah. My mistake. Mine was a little bit of a non sequitur. Yeah. The latter. Practical implementation on a case-specific basis would warrant that.

And my only other comment was just Ed McNamara talked a little bit in the last few minutes about upstream or subtransmission or bulk transmission impacts that can arise as distributed generation continues to grow.

I guess my comment was just going to be it is complicated, that interaction he described, between the interconnection rulemaking and the net metering. But our sense is it's worth it. Take your time and think about it.

The long-range transmission plan does lay out some instances where it could be millions or tens of millions of dollars of transmission upgrades that would be largely or entirely Vermont paid. That potentially could be deferred or avoided if we are more thoughtful. I'm not going to repeat VELCO's language, but they do in their long-range

transmission plan raise that prospect. It seems big enough at least for the larger ones, the ones that are tens of millions of dollars, there are a couple that might even be 50 or a hundred. That it's worth thinking this through, because why do I say that?

At least today, under today's program design, net metering, although they are small individual projects, is actually the clear majority of new distributed renewables. For GMP it's running something like 2/3 of our distributed solar, so the accumulated effects can matter. Thank you.

MS. KROLEWSKI: Can I ask a question here? With regard to these export-constrained zones might the methodology for adjustors differ? For example, one export-constrained area might not have a DNE component. And so would the adjustor look different? And so would each adjustor sort of have to lay out a new -- each export-constrained zone would you have to lay out a new methodology for developing an adjustor?

MR. SMITH: My answer would be -- I'm curious what others think. Possibly. Clearly in an instance like we were just discussing in the last 5 minutes where we are talking about an instance that is not an ISO-defined existing export constraint

interface today, but rather the prospect of a cap -- of a grid upgrade that is in the headlights, if you will, and might be avoided by a different development pattern of our renewable generation. At least for those two examples, it feels different.

As to the details, I don't know. My head's too much in the SHEI one, and I'll stop there. I have to think about it some more.

MR. McNAMARA: And so the other -- I do think for export constrained, I think it would be useful to get some terminology. When I think of export constrained I think of SHEI and some expansion. So there would always be some ISO New England market rules implicated, so do not exceed would be implicated.

And there is the clear methodology that was put forward to be able to calculate for an export-constrained area.

In these other areas, and I need to come up with something better, hopefully somebody else will, the sort of areas where there is upstream transmission impacts where transmission needs to be upgraded. It's not like in SHEI where you can just turn down generation from existing resources. But in other areas, you need to upgrade transmission in

order to accommodate these new distributed generation.

That would definitely require a different methodology, and likely it would be based more on what's the cost to upgrade the transmission, how would that be allocated to all of the new interconnecting generation. So that's partly why I'm thinking that might be more appropriate for the interconnection rulemaking rather than the net metering -- or in the net-metering compensation context.

I'm not a hundred percent sure of that, but at least at the moment this is relatively new as of this morning, I'm starting to think that actually might be more appropriate for interconnection rulemaking. There is definitely simplicity and benefit to having just in the net-metering rule saying here's the price signals telling you where the best places in the state are to build rather than a developer having to say, okay, well the net-metering rule I have to look at, you know, is it an export constrained versus an upstream-impact constrained area.

So there is lots of different trade-offs. Still, as I said, I'm not sure of the

best way to go. It's relatively complicated, especially this latter. The fact that SHEI is now looking -- the SHEI adjustor looks more simple than the others is making me kind of nervous about how to address the other ones, the other areas.

MR. MARREN: All right. It's 11:00 now. So, you know, we had advertised this workshop's going until 12:30. We have been going for an hour and-a-half. I'm going to propose we take a 5-minute break for people to stretch out, get a drink of water.

Maybe we'll come back at 11:10. And then we can talk about some of the more broad changes to the net-metering rule that might be implicated by the SHEI. And then next steps. And then we could get this wrapped up before lunch. Is that okay with everyone? See everyone at 11:10.

(Recess was taken.)

MR. MARREN: All right everyone. Welcome back. So the last sort of group of topics that we wanted to have an opportunity to discuss today was, you know, the commission recognizes that other changes to the net-metering rule might be necessary beyond the department's proposal. So you know, I wanted to just remind everyone that there

will be a workshop devoted entirely to net-metering compensation, which I think that would be a great place to discuss some of the locational, you know, issues that -- and some of the other folks have brought up.

But there are some more discrete topics that we could address in the net-metering rule that are SHEI related. I know that in the previous case, one of the utilities, I can't remember if it was VEC or WEC, sorry if I'm misremembering, you know, proposed that our definition of preferred sites should explicitly exclude constrained areas.

You know, other topics that came up were potentially limiting the installation of certain sizes of projects or kinds of projects in the SHEI. Or also, you know, requiring projects to be collocated with controllable load so that we could try to avoid curtailments events.

I know some of these topics have come up already. But if anyone wants to comment on the issues or anything else that maybe we have overlooked, are there other changes to the net-metering rule that we could make that would help alleviate SHEI issues? Anyone can jump in at this point.

MR. McNAMARA: So Ed McNamara at the department. I would say that there is a balance. There is lots of ways to alleviate -- lots of ways to alleviate SHEI, or sorry, to minimize the future impact on SHEI. And it's also a recognition as well, that customers in one area of the state not being -- not being effectively allowed to participate in net metering, in programs that are allowed in other areas of the state.

And so from the department's view, sending price signals as to the relative value of distributed generation is appropriate. Blanket prohibitions the department has more concerns with and has not proposed and is not proposing that.

With respect to definition of preferred site, the department looks forward to submitting comments, written comments. We do want to talk internally a little bit with our counterparts at Agency of Natural Resources. I will say the preferred sites is really meant to be more of a land use incentives to appropriately optimize sites identified during the Act 174 regional planning commission, municipal planning commission processes. And at least preliminarily, we think that there is still value in the preferred site adder.

We want to think that through a little bit more. But recognize that having a first step of recognizing locational value of distributed generation is really important. Recognizing the other societal benefits of well-sited project, you know, which is accomplished through the preferred site designation, an adder, we believe is still appropriate.

We do want to have some internal discussions on that. We are still thinking it through. But the department thinks there really are two separate issues. The grid and overall societal objectives.

MR. CARPENTER: This is Dave Carpenter. If I could throw a thought out there. I see nodding.

So again, just speaking from a developer's perspective, and again, only for my company obviously Green Lantern Solar. You know, the reduction in -- let me turn my camera on here so you can see my lovely mug.

The reduction in incentives for net metering at the C&I scale I think has, excuse me, disincentivized, you know, a lot of development at that scale.

The preferred site question, that's

obviously one that will have to come up. You know, there were -- and again, maybe this is inappropriate at this particular stage of discussion, you know, but the problem I think VEC has, and I certainly don't want to speak for VEC, but this is just in working with them for a number of years, is that most of their territory is in the SHEI. That's the biggest problem that VEC customers have.

Community solar has a hard time picking up steam because it's really hard to administer from the -- from, you know, a billing and customer management perspective. In other states there are a lot of large aggregators that will collect all of your customers for you and manage them. We just don't have that in Vermont really. There is Competitive Energy Services and Also Energy and some other companies that do that in other states but not in Vermont.

For residential customers, you know, you know, who have their facilities at the load, that's one thing. For business customers, and, you know, schools and municipalities and so on and so forth, at the C&I scale, 150s and above really, it can be much more difficult. Because the -- it's harder to collocate because they may not have the

ability to locate that generation near where the load is just because of site control and so on and so forth. So it's a little bit of a different animal.

But I think that, you know, so locating a net-metering project in VEC's territory that is also not in the SHEI is challenging. And I think that that's part of the problem that you've got with this, you know, with this giant overlap. Because if you are excluding people from participating because they are in the SHEI, you're excluding most of VEC's customer base. That's at least, you know, my perception. And Craig should feel free to jump in and correct me if I am wrong on that.

So that's, I think, sort of a particular challenge with this constrained area with regard to the SHEI. The other thing too, and this is sort of just a philosophical difference, I think, is the Lowell and B20/B22 upgrades, when they are complete as well as the Sheldon maybe are and a couple other projects that GMP is working on. There is all, you know, testimony and so on and so forth in the record in that docket about how much it's going to reduce the number of hours of constraint, you know, down to I think -- correct me if I am wrong -- down to a hundred hours a year or something like

that. I don't remember exactly what it was.

So there is a sort of a philosophical question about what happens to that head space. You know, who is that available for? And I know that the department and the utilities had made some arguments about that not being available community. You can't say that's head space that developers on the private side can take advantage of because you're just going to create a bigger problem that is then going to have to be corrected later.

So I think it's, you know, again, getting back to the idea of an easily administered -- don't let the perfect be the enemy of the good to sort of offset what those harms are, does send price signals and does at least attempt to make the utilities and ratepayers whole in that regard. I don't know if that's helpful.

MR. KIENY: This is Craig Kieny, VEC. I missed the original question that started the discussion. But I will add that SHEI covers roughly 80 percent of the geographic territory that VEC covers. Probably as far as the customers go, it's -- or load it's maybe at 70 percent. I don't know the exact number.

So Dave was mentioning about excluding

customers if no net metering of SHEI. Certainly a lot of rooftops that are in the SHEI that would be eliminated. We do have a community solar program that has -- we use with the 5 megawatt project in Grand Isle and the two 1 megawatt projects in Alburgh at McGee Hill.

But I just wanted to shed a little light on some of the things David raised, and I don't know what the original question was. So if you want to restate that I'll -- I would try to answer anything that's appropriate there.

MR. MARREN: Sure, Craig. We were just discussing are there any other changes to the net-metering rule besides an adjustor or a mitigation fee, that people would recommend to address SHEI issues. And some of the examples that we had tossed out there were, you know, either changing definitions of preferred sites or limiting the amount of capacity that is installed within a constrained area. Or requiring, you know, new capacity to be collocated with batteries or some other kind of load.

You know, those were just sort of ideas that we were interested to hear if people had other ideas about possible improvements to the rule to help alleviate SHEI constraints.

MR. KIENY: Not at this time. Maybe as the proceeding moves forward. Not right now.

MR. SMITH: Doug Smith, GMP. Just I think it's a little tough because we are learning this together and working vocabulary. But I think that if -- in order to implement this potential approach, if we can get rule language that contemplates and gives the commission the ability to identify certain areas that warrant an adjustor, and to take evidence on why that is and how -- what the magnitude is, that rubric, that may be enough. In other words, a set of rule language that contemplates starting with just an existing or identified congested area like SHEI enables -- that enables the PUC to set an amount of an adjustor.

I've suggested the biennial might be a place to do that. And also to revisit over time. And if that is accomplished, and if the rule language can also -- I'll say contemplate -- the other types of situations that Mr. McNamara or others brought up where it's not a defined interface today, but there is a grid upgrade in the headlights, if it can do those things, and that seems like enough.

And so I don't want to jump ahead to process, but I'll just, flash, you can probably tell

based on those comments, that we think it makes sense at some point soon to try to rough out that language, for the commission to take, you know, just comments on what that would look like, and that might help make it be a little more tangible and see if there is something missing.

MR. MARREN: Great. Doug, I think you predicted my next slide. If folks are ready to move off from this topic and get to process and sort of next steps, I'm happy to go there. But if anyone wants to bring up any other, you know, potential changes to the net-metering rule, now's the time to do it. You can always do it in writing later, which is what we are going to talk about next.

MR. SCHILLING: I just wanted to interject, did the commissioners have any questions about any of these tools before we move on to process?

MS. CHENEY: No. Thank you.

MR. McNAMARA: This is Ed. If I can just expand a little bit on what Mr. Smith just said. The method -- I would say especially Mr. Smith and Mr. Kieny did a significant amount of work on the methodology, the calculation for the adjustor. The department would be concerned about trying to

replicate that for sort of non-export-constrained areas, other constrained areas, the ones with upstream transmission concerns.

And so I would just echo what I heard Mr. Smith say which is getting some direction of -- if the PUC is comfortable with the general direction of the ability to identify constrained areas and potentially set a price without having a very clear this shall be the price, the general principles involved of should there be -- should the utilities or the commission or somebody be able to propose locational adjustors with sufficient overview and everything else.

So I would suggest as we think about the process, that it may be broken down a little bit of some of these core issues to be determined first, and then if the PUC determines that this is -- general direction is appropriate, then further work. The department's a little bit concerned with putting lots of resources in. I can see nodding, Mr. Marren. So yup. Just wanted to make that pitch.

MR. MARREN: Yeah. I get that. I think we will have to get, you know, the commissioners together. And we will need to talk about how they feel about a general direction and

then communicate that somehow.

I understand a lot of work has already been put into coming up with the straw proposal. And we appreciate that, and so we don't want to make people come up with very complex solutions that might not be adopted.

MR. SMITH: May I toss in one comment? Doug Smith. Just to support this. Just maybe briefly.

Yes. That was a challenging quantification effort for the SHEI to go through sort of the math of if more EG solar is added, well how often will that make congestion? How deep is it? I just want to volunteer the notion that it may not have to be like that in each case. There may be simpler methods that can be used.

It took us awhile frankly to bone up and go deeper into the workings of the SHEI and a congested interface, but we have learned some of those lessons and can hopefully bring them along. And in some other circumstances that type of complexity just may not be needed to understand the level of costs in the headlights using my term. Thank you.

MR. MARREN: All right.

CHAIRMAN ROISMAN: I wanted to ask one question about that. I seem to remember that during -- maybe during the Derby proceeding one suggestion that was floated was -- or maybe in a different proceeding, was that the new renewable resource would itself turn off during periods of constraint so that the constraint would hit the new source rather than an existing source.

And I didn't know, I know one thing I heard was that there was this communication issue. How would they know that it was time? And candidly, I didn't understand that. I was under the impression that the people at ISO had telephones and internet connection and were equally capable of sending a message to somebody else and not only to the utilities that were running the Sheffield or Lowell.

But I wondered whether anybody has thought about that as an option instead of a dollar adjustor. And if so, what they think about it.

MR. McNAMARA: So this is Ed McNamara. The department spent a fair amount of time right after the Derby decision trying to come up with some sort of curtailment scheme. There was concerns about the interface between the ISO New England markets and effectively state retail -- regulatory decisions

impacting retail level resources as well. That was one concern.

The other was the necessary infrastructure to actually communicate, if for example, VEC was tasked with curtailing resources in response to a signal from ISO New England, there would need to be significant infrastructure build out by all of the net-metering facilities in the area; potential audits, potential true-ups, lots of different things that will run into it.

And in the end, it was decided that a fee would actually be significantly less expensive and less time consuming for all involved given the state of technology as it is right now. It's possible that going forward better communication systems can be developed, better processes can be developed. But at the moment, it was thought that the mitigation adjustor was the simplest, most straightforward and economic process for all involved.

I'll let other folks chime in as well.

MS. KROLEWSKI: I have a question here. Isn't also the complexity due to the fact that you have to sort of guess when that DNE is going to be hit? And it gets set, and then you can sort of

curtail resources after the fact. But you've sort of set the DNE because you didn't curtail them before it was set.

So isn't that somewhat of a problem as well?

MR. McNAMARA: I'm going to let Doug or Craig answer that. Because that's level of technical knowledge that they have.

MR. KIENY: Yeah. It's Craig Kieny, VEC. Yeah. That is -- the time delay is an issue. Communication delay for sure. Especially on the short first burst of congestion when it's only 5 or 10 minutes. If it's going on for 8 hours, 5 or 10 minutes doesn't matter much. But when it's going back and forth, we could miss some congestion events, or we could be curtailing when they weren't occurring.

MR. NOLAN: Can I -- Ken Nolan, Vermont Public Power. Directly to Chair Roisman's question about the ISO, I think one of the challenges we run into is the ISO rules and how they interact with generators. They are very protective of bids and generator communication. And we find it even within our member systems that ISO only communicates directly with the lead participant of the generator.

So even if there are five or six offtakers of that generator, only the person that's operating the plant will get communication.

And we see that with McNeil, for example. Burlington gets communication. The rest of us do not. And that's exacerbated for any generators that are not directly participating in the ISO market. The ISO doesn't feel the need to talk to those resources at all. And there is really no protocol for that to happen.

So the capability is there. But it's really tied up in the rules and procedures of the way the ISO works.

CHAIRMAN ROISMAN: Thank you. That's very helpful.

MR. SMITH: Doug Smith, GMP. All I would add again to this line of conversation is first I've got to think about that a little more, the proposition that Chair Roisman raised. But I guess I would note that in my mind, when we see -- when we have an existing export constraint or an infrastructure upgrade in the headlights, my sense is that these -- the ability to curtail renewable generator, it feels to me like a tool that's available. And we are going -- it's not either or.

We are going to keep looking at that.

But by my sense going in is that it doesn't obviate the value of having a price signal. I think I need to recheck my reasoning after this, but that's my current thought. Is that they're complementary. They are not one or the other.

MR. CARPENTER: This is Dave Carpenter of Green Lantern Solar. To add on what all the other folks have said so far.

The only other thing that I would add is just -- we don't just develop projects. We own them long term as well. So the issue then becomes a level of certainty. You know, in terms of how do we forecast that. I know that, you know, that's not everybody's biggest problem. It's worrying how the owners would forecast the losses and so on and so forth. But that gets awfully complicated from an owner standpoint; when things get shut off, for how long. You know, and obviously, you know, that may increase over time. And how do we forecast that.

So you know all the things that Craig and Doug and Ed were just describing all continue to flow through to the project owners and then to the customers at the end, at least from a net-metering perspective.

MR. McNAMARA: This is Ed. If I can just build off of what Doug said very briefly. I would agree that curtailment is potentially an option. We are going to continue looking at it. And I would say all of the issues that were just discussed regarding curtailment, storage is another option that we are continuing to look at as well in terms of those capabilities.

Much more likely for larger scale projects, but essentially the ability to instead of putting power on to the grid, put it into the battery, could effectively be a mitigation strategy as well.

And just to be clear, the department's proposal -- the straw proposal was all net metering systems and anybody larger than 500 KW should be able to either look to that mitigation fee with some adjustments, or also look at other mitigation strategies.

If somebody wants to propose, if they think they can build a better mousetrap and come up with curtailment scheme that will work for them or storage, they should absolutely be allowed to do that if they can demonstrate it will work sufficiently.

MR. MARREN: Okay. Well then maybe

now's a good time to -- if anyone has any sort of more substantive comments about this topic, now would be the time to offer it. Otherwise, I would say we should move on to talking about next procedural steps.

(No response.)

MR. MARREN: I think that staff was envisioning at a minimum a round of written comments on this topic. You know, probably within about 30 days or so. Be interested to hear if folks would like an opportunity to respond to written comments. And then also just at this point I want to make a pitch, I think it's been mentioned before, sounds like there are some ideas about what we could write in a rule here about language -- simple language it sounds like that just authorizes utilities to propose these kinds of fees subject to a regulatory review and stakeholder process.

So I would encourage people to take a stab at that. I mean we will certainly be thinking about it here too after you submit written comments, but more authors is better than a few, I think. It really gives us an opportunity to think of different ways of saying it, and then testing them and coming up with better product in the end.

So I guess I'll toss out my proposal at this point would be written comments about 30 days from now. And then if people want an opportunity to respond, they could do so within like another two weeks. Does anybody want to do this sooner or later or anything like that?

MR. McNAMARA: That time line is doable from the department's perspective.

MR. KIENY: VEC as well.

MR. MARREN: Okay. Then I'll try to put an exact date on this. How about, you know, one month from today is Friday, August 27th. Do we want to put that down as a deadline for written comments? And then people can file a response by September 10th. Two weeks later.

And again, just to remind people this is the first in a series of workshops. We are going to have another workshop in August to talk CPG process. And then another workshop that I'm sure will be -- there will be a lot of interest in on September 16th to talk about net-metering compensation where some of these topics might also come up.

So just keep those on your calendar. And is there anything else that folks would like to

talk about today?

MS. CHENEY: Jake, I would just like to remind ourselves, I believe the last workshop, the final one you mentioned on compensation in September, will be held in person.

MR. MARREN: Yes, it will. Thank you. That's the plan for now. Keeping fingers crossed that it's safe to do so and that everyone's comfortable. But yes. The August workshop will be in this format on GoToMeeting. And then September we plan on being in person at our offices in Montpelier.

Mr. Carpenter, I see you've got your finger up there.

MR. CARPENTER: Yes. Just a quick question. Do we have an overall time frame for -- we have got through September for workshops and then what?

MR. MARREN: You know, it's open at this point. I can't predict exactly what happens at that point. The goal is to, you know, try to move forward expeditiously on getting a proposal out there. But there is a lot of information that I think we need to collect about some of the other topics in the workshops, and depending on what topics are raised at those workshops, it may be a shorter or

longer period of time to get a proposal out there.

Mr. Wing?

MR. WING: Yeah, hi. Alex Wing on behalf of the department. The department should be able to do comments by August 27th. But when it comes to the reply date, I will be away until shortly beforehand, so I was wondering if we could move that to the following week.

MR. MARREN: You know, I'm fine with doing that just recognizing that also we will be having that workshop that week, so there will be a lot of net metering going on on the week of the 17th. But, you know, if you want to take another week to write a reply, it's really not a big deal.

MR. WING: Thank you.

MR. MARREN: That's fine. So we will do that. Reply comments will be due on September 17th as opposed to the 10th. As I said earlier. So --

CHAIRMAN ROISMAN: And Jake, one thing -- as most of the people, if not everyone on this call realizes, we issued two orders last week involving SHEI facilities in which we are --

MR. MARREN: Mr. Chair, at this point I just want to point out that those cases still are

ongoing proceedings and within the reargument period. It might not -- it might be best to sort of leave the discussions for specific cases for those --

CHAIRMAN ROISMAN: No, and I didn't want to discuss them. I just wanted people to know that we had issued orders, and I just wanted any thoughts on whether the participants, while we go through this process are -- want the commission to continue to take SHEI applications case by case as they come along, and look at what the parties to those proceedings are offering, or whether they want -- I mean these were all backlogged, older cases. Whether the parties think we should hold on any new SHEI's applications until we have resolved this proceeding.

I don't want to talk about the merits of what we are doing in those cases.

MR. CARPENTER: This is Dave Carpenter from Green Lantern Solar. And I apologize here, Chair Roisman. I'm not exactly sure what you're asking about the pending cases.

CHAIRMAN ROISMAN: Well we have a backlog of cases that have been filed around the same time as Derby, and they were all put on hold until we resolved Derby. We then resolved Derby.

And then parties came forward and asked us to move on those cases. And in the cases that we have looked at so far, they have come forward and proposed this 86,000 which is basically the department's proposal applied to the size of their projects. And asked us to move on them.

And my question is do the parties want us to continue to do that on a case-by-case basis with parties coming in at least like those where there was -- nobody was contesting anymore. VEC was not contesting. GMP wasn't contesting. And obviously the applicant was not contesting.

So my question is, do the parties think that the commission should continue to do that on a case-by-case basis, or do they think that we should be waiting until we have come up with a resolution that this rulemaking is intended to address?

MR. CARPENTER: I'm going to let the --

MR. MARREN: Yeah. I think that, Mr. Chair, this isn't -- if the parties in those cases that are pending want the commission to take a certain procedural step or not take a certain procedural step in those cases, they can make a filing in those cases with copies to all the parties in those cases. But all the parties to those cases

are not in this meeting right now, and I would prefer -- I think it's a good idea to just, you know, not talk about those cases.

Because, you know, they are separate matters from this. And if the parties in those cases want us to take a certain step, they can ask us to.

CHAIRMAN ROISMAN: And I'm not talking about those. I'm talking about cases we don't have. In other words, we have got this proceeding going on to decide how to deal with the SHEI. We have got five cases that are in the backlog, and we are going to treat them using the process you just described.

What I want to know is are the parties who are in this meeting, in this program, do they want us to process applications in the SHEI as they come along? Or do they want to have effectively us not address them at all? In other words, are they going to come to us with a bunch of proposals or not? We need to be prepared if they are coming. And we need to decide whether or not we are going to do anything on brand new cases. Ones that haven't happened yet.

That's all I'm trying to get a sense of what these parties prefer us to do.

MR. CARPENTER: I guess I just want to

make sure when you say parties you're not talking about the parties to the SHEI cases.

CHAIRMAN ROISMAN: No. I'm talking about people who are on this call, who are interested in this rule, are they essentially recommending that we stay further action in the SHEI until such time as we have completed this process and come up with some kind of a generic solution? If we do?

MR. KIENY: This is Craig Kieny, VEC. If I understand Chairman Roisman's question, I think you're asking what -- if a project -- 500-KW project was to apply in the SHEI today, what should we do. Is that your question?

CHAIRMAN ROISMAN: Yeah. I mean what does VEC want us to do? Do you want us to wait on this process? Or do you want us to process it without a de facto stay. Yes.

MR. KIENY: Well I'm not sure if this answers your question, but if somebody applied today, we would intervene. Because there is no agreement on what to do. So we would intervene and treat it just as we did the other state cases until something is decided.

CHAIRMAN ROISMAN: Okay. All right. That's exactly what I was trying to find out.

MS. RICHARDS: This is Patty jumping in. WEC would like to see new projects suspended until an adder or kilowatt fee is determined. So we would like to see a stall of cases.

CHAIRMAN ROISMAN: And what about GMP?

MR. SMITH: To be honest, Chairman Roisman, not sure we discussed that one. Yeah. I'm not sure.

CHAIRMAN ROISMAN: Okay. And Mr. Carpenter? What would you prefer us to do? And any other representative of developers who are on the line.

MR. CARPENTER: We don't have -- let me turn my camera back on here. This is Dave Carpenter, Green Lantern Solar. And we don't have an opinion.

CHAIRMAN ROISMAN: Anybody else?

MR. MARREN: I guess I'll just pipe up and make clear if a new application is filed, the commission would only make a decision on what steps to take until after hearing from the applicant and any other parties in that case. So --

CHAIRMAN ROISMAN: Of course.

MR. McNAMARA: Yeah. This is Ed McNamara with the department. I will note that depending -- I don't anticipate that the net-metering

rulemaking is just going to fly right through the process and be resolved in the next two or three months. And so I just want -- do want to note that in terms of if there is an indefinite stay until this is fully resolved, that's potentially a year out.

The department would be looking, yeah, I'll just -- I'll leave it at that. And as Mr. Marren stated, there would be individual case-by-case basis as things come along as to how we would respond.

CHAIRMAN ROISMAN: Okay. Thank you.

MR. MARREN: All right. Unless there is anything else that folks want to discuss today, I think we have exhausted our agenda. Thank you everyone for coming.

MR. KIENY: Craig Kieny, VEC. One more time. I just want to make sure that the comments that are due on August 27th, are they addressing just the department's proposal? Or anything to do with how to move forward?

MR. MARREN: I think that they should be focused on the SHEI issues. But, you know, whether it is, you know, you want to advocate for adopting the department's proposal, or taking other steps, or making other changes to the rule, I think

that's all in bounds. I think the scope is really SHEI-related issues and net metering is what we are interested in hearing about.

MR. KIENY: Okay. Thank you.

MR. MARREN: We will have another workshop to talk CPG issues and administrative processes. And another workshop, to talk about net-metering compensation generally, and I'm sure we will have rounds of filings with each of those workshops as well.

MR. McNAMARA: Mr. Marren, if I could just ask for a clarification. You stated that it would be limited to SHEI. Is the commission open to non-SHEI constrained areas, locational adders generally?

MR. MARREN: We talked about that today. Yes, certainly I think that's in bounds. Thanks for that clarification.

MR. McNAMARA: Okay. Great. Thank you.

MS. RICHARDS: This is Patty Richards, WEC. Will there be a summary of the memo in terms of what comments are due for those that were not able to attend?

MR. MARREN: I will issue a procedural

order. Sure.

MS. RICHARDS: Thank you.

MR. MARREN: Mr. Carpenter.

MR. CARPENTER: This is Dave Carpenter, Green Lantern Solar. Just with regard to all of the filings that went in in the 3304 docket, that was closed out with no further action by the commission.

Is there a procedural mechanism to incorporate those into the record for the current rulemaking so we don't have to just resubmit the exact same comments that we made the first time around? There was an enormous amount of really good information that came in during that proceeding, and it would be a shame to put it in a box and stick it in a warehouse somewhere.

MR. MARREN: I'm fairly confident we can work out something to make that happen. I'll put my head together with a couple other people here to make sure we do that in the correct way, and we will let you know.

But I think at this point you should assume if you filed it in 3304, you don't need to refile it here. You could just reference it if you want to.

MR. CARPENTER: Yes. And the only

other thing I would add to the extent that the service lists need to be compiled together, to make sure that all the 3304 folks get added to the 19 whatever we are at. 0855 docket.

MR. MARREN: Thanks for that reminder.

MR. CARPENTER: Thank you.

MR. MARREN: All right. Commissioners, do you want to say anything else? Or have any other questions you would like resolved at this point?

(No response)

MR. MARREN: All right. I think we are adjourned. Thank you everyone.

(Whereupon, the proceeding was adjourned at 11:54 a.m.)

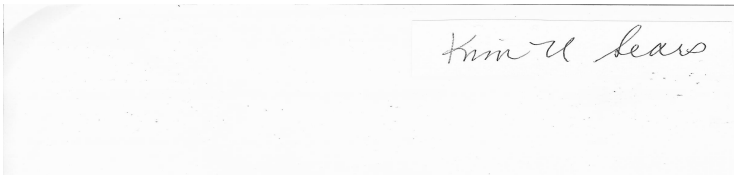
C E R T I F I C A T E

I, Kim U. Sears, do hereby certify that I recorded by stenographic means the Workshop re: Case No. 19-0855-RULE, via videoconference, on July 27, 2021, beginning at 9:30 a.m.

I further certify that the foregoing testimony was taken by me stenographically and thereafter reduced to typewriting and the foregoing 94 pages are a transcript of the stenograph notes taken by me of the evidence and the proceedings to the best of my ability.

I further certify that I am not related to any of the parties thereto or their counsel, and I am in no way interested in the outcome of said cause.

Dated at Williston, Vermont, this 30th day of July, 2021.



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