

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.100	
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VERMONT DEPARTMENT OF PUBLIC SERVICE REPLY COMMENTS
ON REVISING RULE 5.100 TO ADDRESS
SHEFFIELD HIGHGATE EXPORT INTERFACE (“SHEI”) IMPACTS

On July 27, 2021, the Vermont Public Utility Commission (“Commission”) held a workshop to discuss potential changes to Commission Rule 5.100, the Net-Metering Rule, intended to address issues related to the Sheffield Highgate Export Interface (“SHEI”). Follow-up comments to the workshop were filed by interested stakeholders on August 27, 2021. The Vermont Department of Public Service (“Department”) submits the following comments in reply to the August 27 comments.

In its August 27 filing, the Department recommended that the following language be included in an update to Commission Rule 5.100:

Locational Adjustors. An Electric Company may include a locational adjustor for net-metering systems located within its service territory or a portion of its service territory in its net-metering tariff. When proposing a locational adjustor, the Electric Company must provide the following: (1) specific geographic boundaries as to where the locational adjustor would be applied; (2) the existing and forecasted load within the area; (3) the existing and forecasted DG deployment within the area; (4) the capacity of the distribution, sub-transmission, or transmission system within the area that is facing a constraint;

(5) the proposed adjustor amount, along with an explanation of how the adjustor was calculated and the expected effect of the adjustor on DG deployment; (6) identify any other affected distribution utility, or VELCO, that is impacted by the locational adjustor, particularly in cases where it is the sub-transmission or transmission system that is facing a constraint; and (7) any other factors relevant to the determination of whether a locational adjustor is just and reasonable.

After the Department's filing, the Department staff has had discussions with interested stakeholders and based on that feedback, provides the following revised language (the new language is in red):

Locational Adjustors. As part of the February 1 filing required in the biennial update process (Commission Rule 5.128(D)), each electric company must provide information as to whether a load or generation constraint exists, or is expected to arise, within some portion of its service territory and whether a locational adjustor to the net-metering compensation would alleviate such load or generation constraint. As part of the filing, the electric company must provide the following: (1) specific geographic boundaries of the existing or forecasted load or generation constraints; (2) the existing and forecasted load within the area; (3) the existing and forecasted DG deployment within the area; (4) the capacity of the distribution, sub-transmission, or transmission system within the area that is facing a constraint; (6) any other affected distribution utility, or VELCO, that is potentially impacted by the load or generation constraint, particularly in cases where it is the sub-transmission or

transmission system that is facing a constraint; and (7) any other factors relevant to the determination of whether a locational adjustor is just and reasonable.

Any comments on an electric company's filing regarding a load or generation constraint must be filed by March 15.

The primary changes to the Department's initial proposal are that (1) the utilities' filings should address the underlying load or generation constraint, existing or forecasted, rather than a specific locational adder; and (2) the information related to load or generation constraints should be filed during the net-metering biennial proceeding rather than as part of the tariff process.

Regarding the first change, the Department wants to make it clear that a locational adder could potentially be either a positive or negative number depending on whether an area of the electric grid is load or generation constrained. Further, rather than focusing initially on a specific adjustor amount, the discussion should start with an explanation of the underlying conditions that could lead to a proposal for a location adjustor. This approach would likely lead to a more productive engagement on the issue.

The Department now recommends that filings regarding load and generation constraints be made in the context of the net-metering biennial update proceedings. While a tariff filing provides sufficient notice to interested parties, the biennial proceeding has substantially more stakeholder engagement than the subsequent tariffs filed under Commission Rule 5.134. Additionally, any locational adjustors

that may be developed as a result of the identification of load or generation constrained areas should be significantly informed by the discussion of compensation that occurs during the biennial proceeding.

The Department looks forward to further discussion of this concept as the Commission's rulemaking proceeding unfolds. Thank you for the opportunity to comment regarding this matter, please contact me with any questions or concerns.

Dated at Montpelier, Vermont, this 17th day of September, 2021.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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cc: ePUC Service List