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September 24, 2021

Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05602

Re: Case No. 19-0855-RULE. Proposed revisions to Vermont Public Utility Commission Rule 5.100

Dear Ms. Anderson:

On August 24th, 2021, the Vermont Public Utilities Commission ('Commission') hosted a workshop to discuss with stakeholder's issues related to potential changes to Commission Rule 5.100. On August 26, 2021, the Commission asked participants in the workshop to file written comments responding to the issues raised during the workshop on or before September 24, 2021.

The Town of Stowe Electric Department ('Stowe') thanks the Commission for the opportunity to file comments on issues raised during the August workshop. Stowe recognizes the challenge that the Commission faces in updating the interconnection procedures in both Commission Rules 5.100 and 5.500. Distribution utilities ('DU' or 'electric company') and regulators face a complex task in responding efficiently to distributed energy resources ('DER') saturation, grid modernization, and electric transmission and distribution system constraints.

Stowe's comment is focused on suggested improvements regarding the certificate of public good ('CPG') approval process for residential scale DER, primarily photovoltaic ('PV') or PV coupled with battery energy storage systems ('PV + BESS'). Stowe believes that making the CPG approval process more efficient will benefit the stakeholders and assist the safe and reliable interconnection of DER in Vermont.

I. <u>Comments on the August 24th Workshop:</u>

A. Current Approval Process

Stowe suggests that the Commission update Rule 5.100 to require Applicants, Installers, and the interconnecting electric company to discuss the interconnection requirements for DERs before the application for a CPG is filed with the Commission. This will reduce the administrative burden on the parties and the Commission, while creating a more transparent application process. This proposal also slightly modifies the suggestions presented by the Department of Public Service by expanding the process to PV and PV + BESS of any size, not just those systems over 15kW. *See Department of Public Service Presentation*, PUC Rule 5.100 Workshop, at p. 5, August 24, 2021.

Under the current rule, when the Applicant submits an application for a CPG to the Commission, and the DU has 10-days to identify interconnection concerns, request additional information from the Installer, and communicate concerns to the Applicant and Installer. This leads to inefficiency, which delays the process and impacts all stakeholders. The screening of all net metering interconnection requests by the DU in advance of CPG application will reduce the administrative burden for the DU and Installer and reduce the volume of objections filed with the Commission.

Many CPG applications submitted result in the filing of an Objection by the DU to resolve clerical errors, or missing, incomplete, or incorrect information from the applicant. In other instances, where system constraints clearly make certain small DER interconnections uneconomic, consultation with the DU prior to the CPG application might result in earlier project scope modification, or even in abandonment by the customer or installer. In each case, early consultation with the DU would reduce the likelihood of objection by the DU, or at least provide the applicant advance information regarding problems identified by the DU.

In addition, municipal utilities, like Stowe, have limited engineering staff to analyze interconnection impacts and communicate those impacts within 10-days to the Applicant and Installer. In Stowe's experience, most Installers also do not have the administrative capacity to quickly respond to the utility's request for information. The communication delays create uncertainty in the review process for the DU, which encourages filing Objections. If the DU does not timely object to the CPG, then the Installer and Applicant are under the assumption that there are no barriers to safely interconnecting the proposed DER. This creates false expectations with the Installer and Applicant that there are no additional requirements needed to interconnect a proposed DER, which makes it difficult to communicate interconnection requirements to the Applicant after the CPG is deemed issued.

The current rule encourages the DU to file an Objection to the CPG simply to pause the CPG review process to allow more time to gather information and communicate with the Installer. In turn, an Objection requires the Applicant (typically through the Installer) to file a response, and the Commission to affirmatively respond to the filings. In Stowe's experience, a vast majority of Objections are filed simply to convey interconnection requirements and costs to the Applicant and Installer, and have the Applicant affirmatively respond that they understand they are responsible for interconnection costs. This is not the most efficient method to communicate information and creates a review process that is administratively burdensome and fraught with communication delays.

B. Proposed Amendment to the CPG Approval Process.

Stowe suggests that the CPG process would be improved by requiring a fast-track review by the DU before the CPG application is filed for all DER, or at a minimum be required for PV and PV + BESS DER up to an aggregate size of 25kW name plate capacity (both roof and ground mounted). Under this modification to the approval process, the Applicant would submit a Net-Metering Interconnection Queue Application to the Interconnecting Distribution Utility ("Queue Application") at least 21 days prior to submittal to the Commission. Stowe also suggests that the proposed Queue Application require a one-line engineering diagram and information related to the BESS (if proposed). This will allow the DU time to assess the impact of the proposed net-metering project on the relevant circuit and allow the DU and Applicant time to discuss any apparent impacts or potential need for upgrades prior to the CPG application process. This will create a more transparent accounting of the system constraints faced by each circuit in each electric company's service territory.

At the conclusion of the fast-track study, Stowe proposes that the DU issue the Applicant an "ability to interconnect" letter. The letter will identify interconnection specific requirements, any upgrades required, an estimate of relevant costs, and a statement identifying any matters preventing the DU from allowing the interconnection request to proceed.

If there are issues preventing interconnection, the DU and Applicant can determine a plan to resolve such issues before the DU provides an ability to interconnect letter. Alternatively, the applicant can countersign the letter accepting the terms and conditions, and acknowledging outstanding issues, and submit it with the standard net-metering application form with its CPG application. At this point, unresolved matters would be transparent to all parties. This effectively fulfills the purpose of filing an Objection letter and the process for resolution of such matters need not be changed under this proposal.

This will create transparency for the Applicant, Installer, and Electric Company, and allow for a streamlined analysis by the Commission, DPS, and ANR staff. If there are no subsequent modifications to the CPG application, and no unresolved matters identified by the DU submitted to the Commission, then the CPG should be deemed issued within 7 days (without further action by Commission staff), and the Installer can begin construction of their proposed system. This will also provide a clear date for the Application, which will simplify work orders and ease reporting deadlines for the electric companies.

Stowe proposes that an additional application fee $450 should be required and collected from the Applicant to reflect the administrative cost to the utility to complete a fast-tracked review of the system. Stowe relies on a power engineering firm that charges an hourly fee to review interconnection requests. These costs should be recovered from the Applicant. The proposed fee should reflect the average cost of review for net-metering applications. Stowe is also amenable to a direct allocation to the Applicant of fees incurred by required outside engineering assessment, which obviously provides for higher correlation based on cost causation.

Since all the information needed for fast-track review is readily available to the Applicant and Installer, this proposal above does not create any additional burdens or costs for the Applicant and will provide more transparency regarding interconnecting DER. This will reduce the administrative burden on both the DU and the Applicant, and give the Installer a better sense of construction schedule at the start of the CPG application process.

II. Response to the Department of Public Service September 17, 2021 Reply Comments

To Stowe's knowledge, its service area remains outside of the SHEI geographic constraint. However, Stowe is aware of the concerns regarding generation and DER constraints generally. In fact, two-circuits within Stowe's distribution system have load to generation ratios that have made interconnection uneconomic for new DER due to upgrade costs. Stowe is exploring all options to resolve its internal system constraints impacting the interconnection of DER including the potential of a tariff filing to develop a Mitigation Adjuster fee. However, this prospect may be fruitless, as necessary upgrades to remedy present constraints on its system are costly. The direct recovery from potential interconnection customers would remain cost prohibitive based on the relatively small amount of capacity proposed and forecasted for installation on these circuits.

III. Conclusion

Stowe encourages the Commission to improve the DER interconnection process by requiring the early submission of interconnection application for all DER before filing a CPG with e-PUC. This will create a transparent process for communicating constraints to Installers and Applicants. This will also allow time for the DU to communicate interconnection requirements, complex load and generation constraints, and grid upgrade costs to Applicants and their Installers earlier in their project lifecycle. Finally, improving the timing of the CPG application and interconnection review will reduce the administrative burden on the DUs, Commission, the Department, and other stakeholders.

Stowe looks forward to continued participation in the rulemaking process for Commission Rules 5.100 and 5.500.

Sincerely,
________/s/______________
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