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Holly R. Anderson, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, Vermont 05620-2701

Re: 21-3883-RULE Proposed Creation of PUC Rule Concerning Energy Storage

Dear Ms. Anderson:

On September 17, 2021, the Public Utility Commission ("Commission") issued an Order seeking comments on the Commission's intention to create a rule concerning energy storage. Properly and expeditiously done, energy storage deployment can help unlock the full economic and societal value of existing and future renewable energy resources. Vermont's clean, reliable, low-cost energy future hinges in part on the creation of an environment that fosters the rapid, strategic deployment of energy storage. Vermont Electric Power Company, Inc. ("VELCO") appreciates the opportunity to provide the following initial comments from our perspective as the statewide electric transmission system operator but also as company that will grow increasingly reliant on energy storage[1] to run, and provide redundancy for, among other things, our telecommunications network.

Topic 1: Simplified Siting.

VELCO urges the Commission to adopt a rule recognizing: (1) energy storage resources serve a growing vital need for the realization of Vermont's energy goals; (2) battery storage projects pose very limited impacts on the criteria in 30 V.S.A. § 248; (3) battery storage is likely to evolve in ways that are hard to anticipate, requiring a flexible rule; and (4) unnecessary regulation of these projects can erode what is already, generally, the currently marginal business case for investing in them. Accordingly, VELCO suggests that the Commission issue a rule that exempts battery storage smaller than 100kW and establishes limited, pre-set regulation for most battery storage projects in the 100-500 kW range, reserving the Commission's (and other regulators') limited resources for projects that necessitate higher levels of regulatory review.

For example, the rule could set the groundwork for the issuance of a "general" certificate of public good, similar to general permits issued by other state and federal regulatory agencies, with standard conditions designed to ensure no undue adverse impacts under the siting criteria, including: registration with the Commission, the Department of Public Service, and the local

[1] These comments are aimed primarily at battery storage resource project, not other, more land-intensive projects such as pumped-hydro storage facilities.

utility; environmental and safety compliance (e.g., obtain and maintain required federal and state environmental permits, providing local fire departments with the location, type and size of batteries), including a noise standard; engineering/code/construction/cyber security best practices and standards, including metering telemetry, etc.; and local utility concurrence of no adverse system impact.

The rule should also clarify that 30 V.S.A. § 248b (Fees; Agency of Natural Resources; participation in siting proceedings) does not apply to energy storage projects of a certain size since the statute on its face appears to be aimed at energy generation¸ natural gas, and electric transmission projects. See, 30 V.S.A. § 248b(d). Energy storage projects typically involve low intensity, small area land use impacts but relatively high project costs. Therefore, assessment of § 248b fees (which are based on project construction cost) for energy storage projects would create a windfall to the agency that could not reasonably have been intended by the Legislature.

Topics 2 and 3. Aggregations and interplay between owners, operators and utilities; integration with existing resources.

VELCO does not have any aggregation/integration-specific comments at this time but looks forward to engaging on these topics during the rulemaking process. VELCO does have two other comments to offer for the Commission's consideration.

Data aggregation. Similar to the comment VELCO filed in the Commission's interconnection rulemaking docket, VELCO suggests that the PUC consider enabling/allowing/asking VELCO to collect data on completed battery projects to supplement data obtained from distributed generation projects for the sake of facilitating more reliable and cost efficient grid operation.

Communications protocols/telemetry. While this issue was not squarely raised in the Commission's Order, VELCO requests that the Commission consider requiring real-time telemetering for energy storage projects sized 100 kW and above. As noted in other dockets, VELCO is expanding its fiber optic network to facilitate data communication for the benefit of electric grid operation. Battery storage systems, including their metering and communication systems, should be designed to transmit production data to the system operator in real-time. Having quality telemetry and metering is important to understanding the total electrical demand on the system. Quality communication to these meters is essential for providing real-time data to control centers, again for the sake of system reliability and more cost efficient operation.

Thank you for the opportunity to provide these comments. We look forward to actively participating in this important effort.

Very truly yours,

S. Mark Sciarrotta, General Counsel