

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 19-0856-RULE

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| Proposed revisions to Vermont Public Utility<br>Commission Rule 5.500 |  |
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Order entered: 12/20/2021

**ORDER REQUESTING COMMENTS ON DRAFT RULE**

**I. INTRODUCTION**

In today's Order, the Vermont Public Utility Commission ("Commission") requests comments on proposed changes to Rule 5.500, which governs the interconnection process. An annotated and clean copy of the proposed changes to Rule 5.500 are attached to this Order.

**II. SUMMARY OF PROPOSED CHANGES**

These proposed changes are intended to accomplish several important objectives. First, the Commission has revised the rule generally to improve its organization and readability. For example, current Section 5.507 addresses the process for conducting Feasibility Studies, System Impact Studies, and Facilities Studies. The draft rule divides these topics into discrete sections addressing each subject. At the same time, the Commission has attempted to consolidate repetitive language. For example, the current rule contains repetitive paragraphs addressing cost reconciliation for the various study reports addressed in Section 5.507. Those paragraphs have been consolidated into a single, stand-alone section addressing cost reconciliation generally. We hope these changes will make the rule easier to read, and we appreciate any feedback stakeholders provide to further improve the organization of the draft rule.

Second, we are proposing changes to address the interconnection of net-metering systems. The interconnection process described in the draft rule would apply to all net-metering systems. The Commission envisions that the interconnection process would be completed before a net-metering system applies for a certificate of public good. As described further below, we request comments on specific parts of the rule where simplified requirements for the interconnection of small systems may be appropriate.

Third, the Commission has made several changes to address the interconnection of storage facilities. The Commission has proposed general changes to make proposed storage

facilities subject to the interconnection process. We also propose standards, modeled on the IREC Model Interconnection Procedures, to account for limited export systems and the operational characteristics of storage.

Fourth, the Commission has proposed changes that will give the Commission more flexibility to adapt to rapid changes in technology and interconnection standards from governing bodies like IEEE. Specifically, the Commission proposes to be able to adopt supplemental interconnection standards by order. This authority is consistent with the legislation that enabled the Commission to adopt general interconnection standards “by rule or order.”<sup>1</sup>

### **III. REQUEST FOR COMMENTS**

#### *Deadline for Comments*

The Commission requests that stakeholders provide comments by January 28, 2022, addressing the attached draft changes to Rule 5.500 generally and the specific issues discussed below. Stakeholders are invited to bring to the Commission’s attention any other issues with Rule 5.500 that should be addressed through the rulemaking process.

This rulemaking is being processed in the Commission’s online document management system, known as ePUC, which can be accessed at <http://epuc.vermont.gov>. Documents related to this rulemaking will be available in Case No. 19-0856-RULE.

#### *Specific Requests for Comment and Additional Information*

The Commission requests comments and information addressing the following specific issues:

1. State law requires the Commission to propose an updated interconnection rule that (1) incorporates energy storage facilities with a capacity of 1 MW or more; and (2) incorporates a simplified process for energy storage facilities with a capacity of between 100 kW and 1 MW.<sup>2</sup> The draft rule would apply to all interconnected energy storage facilities. The Commission requests comment on whether energy storage facilities smaller than 100 kW, or some other threshold, should be excluded from the rule. The Commission also requests comments on how

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<sup>1</sup> Public Act No. 61, § 7 (2006 Vt., Adj. Sess.)

<sup>2</sup> Public Act No. 54, § 12 (2021 Vt., Bien. Sess.)

the interconnection process could be simplified for energy storage facilities with a capacity of between 100 kW and 1 MW.

2. The Commission requests comments on whether the interconnection rule should address the interconnection of electric vehicles or fleets of electric vehicles.

3. The draft rule directs utilities to study energy storage facilities at their planned export capacity (as opposed to total nameplate capacity). Sections 5.503(A) and (B) and 5.521 specifically address the flexible characteristics of Energy Storage Devices and create a framework that utilities must use when modeling such projects as well as specific technical requirements that utilities may impose to ensure that Energy Storage Devices behave as they are modeled. Language has also been added to the Fast Track screening requirements to refer to the Generation Capacity on any given area of the grid, with Generation Capacity defined as including any limits to export by Energy Storage Devices. The Commission seeks to incorporate the idea that modeling that involves a circuit where export limits have been imposed should account for those limitations for the entire circuit or area of the grid. The Commission would appreciate detailed attention to all of the new language pertaining to battery storage and requests that stakeholders file robust comments on this topic.

4. The current rule requires executed interconnection agreements for all approved interconnections.<sup>3</sup> The Commission requests comments on whether only certain categories of projects should execute an interconnection agreement. The draft rule contemplates that only the following categories of systems would execute a written interconnection agreement: (1) projects with a nameplate capacity of greater than 150 kW, and (2) any project where the interconnection requester is required to pay for system upgrades.<sup>4</sup> The Commission would like to know whether it is administratively burdensome to require all projects, particularly small projects, to execute interconnection agreements. The Commission would also like to know if there would be benefits

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<sup>3</sup> See Current Rule 5.508(B) “Upon completion of the necessary studies, if any, the Application shall be approved and the Interconnecting Utility shall provide the Interconnection Requester an executable Interconnection Agreement.”

<sup>4</sup> See e.g., Draft Rule Section 5.111(D) (“Approval of an application must be provided to the Applicant in writing. For Projects greater than 150 kW in capacity, the Utility shall provide the Interconnection Requester with an executable interconnection agreement within 7 days after the completion of the Fast Track Screening. Projects with a capacity of less than 150 kW may interconnect without an interconnection agreement.”).

to requiring all projects to have a written agreement that defines the responsibilities of the utility and the interconnected project.

5. The draft rule provides for an application fee of \$300 or other amount determined in a tariff proceeding. The Commission requests comments on whether it is appropriate to require a reduced fee for small projects. Comments should explain the basis for the reduced fee and describe what project capacity should be used to define a “small” project for purposes of paying a reduced fee.

6. The Commission requests comment on whether any of the timeframes for completing a utility review should be adjusted for small projects. Commenters should address with specificity which timeframes should be adjusted and the feasibility of completing any utility review within the proposed timeframe. Comments should also address what project capacity should be used to define a “small” project for purposes of any alternative timeframe.

7. The rule proposes to allow the Commission to adopt by order standards for communication protocols. The Commission envisions opening a proceeding in 2022 in which interested stakeholders, including the Vermont System Planning Committee, would be invited to form a working group to develop recommended standards for communication protocols. The Commission would not adopt any standards until after an opportunity for public review of the working group’s recommendations. The Commission requests comments on this proposed process, including whether the Commission should adopt standards for communication protocols using some other process.

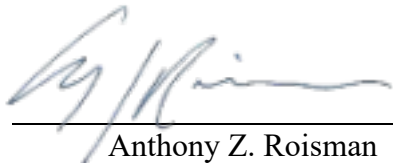
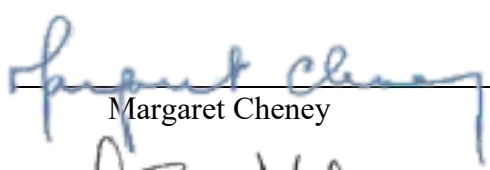
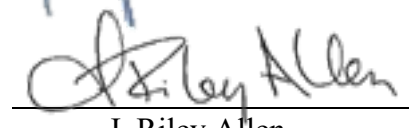
8. Also new to this draft is the idea of group studies.<sup>5</sup> Group studies may be required by a utility or may be initiated by Applicants to capture economies of scale for study costs or for upgrade costs. The Commission requests comment on whether these new provisions are appropriate.

9. Section 5.507 requires utilities to report interconnections to VELCO to ensure that individual projects or groups of projects with transmission-level impacts can be properly studied. This is the first requirement for reporting to VELCO and the first time that transmission-level impacts would be considered for distribution-level resources. Stakeholders should carefully read this section and provide comments.

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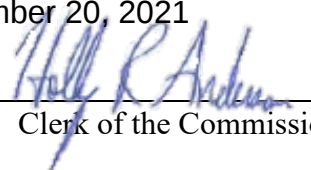
<sup>5</sup> Draft Rule Section 5.504.

Dated at Montpelier, Vermont, this 20th day of December, 2021.

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|                                                                                    | ) |                |
|  | ) | OF VERMONT     |
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OFFICE OF THE CLERK

Filed: December 20, 2021

Attest:   
Clerk of the Commission

*Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov))*

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