



March 11, 2022

Holly R. Anderson
Clerk of the Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 19-3883-RULE, Proposed creation of Vermont Public Utility Commission Rule Concerning Energy Storage

Dear Ms. Anderson,

In response to the Public Utility Commission's ("Commission's") February 16, 2022, Procedural Order Requesting Reply Comments and Supplemental Information in this case, Burlington Electric Department ("BED") provides the following comments under the corresponding Commission questions.

Topic 1. Simplified Siting

a. Decommissioning Plans

What information should the Commission require for decommissioning plans? Should decommissioning plan requirements vary by project size, footprint of the site and/or other factors? What special considerations should the Commission make for decommissioning of storage systems in particular? Should the Commission include decommissioning requirements in the new storage rule or amend existing Rule 5.900 to expressly apply to storage facilities?

BED recommends that the Commission amend the existing Rule 5.900 to include decommissioning plan requirements that mirror those of generation facilities of comparable capacities.

b. Simplified Siting for Storage other than Batteries

30 V.S.A. § 248(u) requires the Commission to "establish a simplified application process for energy storage facilities subject to this section with a capacity of up to 1 MW, unless it establishes a larger threshold by rule." 30 V.S.A. § 201(4) defines an energy storage facility as "a stationary device or system that captures energy produced at one time, stores that energy for a period of time, and delivers or may deliver that energy as electricity to the grid for use at a future time." Given the definition of energy storage facility in 30 V.S.A. § 201(4) and the requirement for a simplified application process in

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30 V.S.A. § 248(u), can the Commission limit the type of storage eligible for simplified siting, by rule or otherwise, to battery storage? If not, how can the Commission best address the simplified siting of technologies other than battery storage?

Based on the statutory definition of energy storage facility, it does not seem that non-battery storage facilities can be excluded from the 30 V.S.A. § 248(u) simplified application process requirement for storage facilities up to 1 MW unless they employ a technology that is not capable of delivering stored energy as electricity to the grid at point in time after it is stored.

c. Natural Resource Assessments

The Department of Public Service ("Department") has proposed that natural resources criteria could be conditionally waived for energy storage facilities sited within existing structures. The Agency of Natural Resources ("ANR") has suggested that a full natural resources report should be submitted with every Certificate of Public Good ("CPG") petition. Are there any circumstances under which ANR would support the conditional waiver of some natural resources criteria?

While BED understands that this question is directed at ANR, BED reiterates its position here that any requirements for storage facilities should mirror those of comparable generation facilities.

d. Fire safety

If the Commission were to adopt the Department's proposal that most criteria under 30 V.S.A. § 248 be waived for systems sited within existing buildings, would there be a regulatory incentive to develop projects within existing structures? If so, does this pose any broader concerns for public safety due to fire risk and how can the Commission best address those concerns?

It seems that waiving most of the 30 V.S.A. § 248 criteria for storage systems within existing buildings could potentially incentivize development of storage facilities within existing structures and that this could raise fire safety concerns. If these criteria were waived, this potential public safety hazard could be addressed by development of specific fire safety standards applicable to storage facilities installed within existing structures.

e. Small Systems (under 100 kW)

Should the Commission require systems under 100 kW to register with the Commission under a general permit? In the alternative, should small systems simply be required to meet basic requirements (interconnection, fire safety, and decommissioning for example) without registering with the Commission?

BED recommends that systems under 100 kW be required to be registered in order to be consistent with the procedures applicable to generation facilities of comparable capacities. As noted in previous comment letters, when a storage facility operates in discharge mode it has the potential to impact distribution systems in a way that is essentially the same as a similarly sized generator.

Topic 2. Aggregations and interplay between owners, operators, and utilities

f. Ownership and Cumulative Impacts

To assess the cumulative impact of energy storage systems being added to existing generation, several commenters suggested that the Commission should use an amendment process for the existing CPG at the site. When a proposed energy storage facility installer is not the CPG holder of the generation component of the paired system, should the storage project receive a separate CPG? If so, how should the Commission consider cumulative impacts?

An amendment process should be sufficient to consider cumulative impacts associated with energy storage systems that are added to existing generation facilities if utilities, the Department and the Commission are notified of such proposals and given opportunity to provide comments. If both facilities are located at the same address, it seems it would be possible to adequately consider the cumulative impacts based on this information regardless of potentially different facility ownership. Where an aggregated project has impacts, the distribution of the effects of these impacts should be apportioned between the owners either by mutual agreement, or by the Commission as a condition of the applicable CPG(s).

g. Proposed Codes and Standards

Of the standards identified by the Department in their comments of December 16, 2021, (pp. 6-7), which should the Commission adopt? Should the codes and standards that the Commission adopts vary based on size, complexity, use-case, or other factors?

BED concurs with the Department's recommendations for standards and codes that should be applicable to storage facility installations under the Commission's storage rule.

h. 30 V.S.A. § 231 CPG

In its comments of December 16, 2021, the Department suggests that the Commission should consider the following issues (among others) in a review of aggregated resources for a § 231 CPG (emphasis added):

- *Provisions to ensure the load impacts of storage are appropriately reviewed by the interconnecting utility and do not negatively impact ratepayers;*
- *Provisions to ensure participation of the resource in the aggregation and the aggregation in the wholesale markets does no harm to the distribution utility or ratepayers.*

Does FERC Order 2222 limit the Commission's jurisdiction in considering the impact of aggregated resources on ratepayers? Does the Commission have the authority to deny an aggregation CPG based on the impact that the aggregation may have on ratepayers?

BED believes that unless the Commission were to choose to affirmatively "opt in" a municipal utility following due process, the questions raised above would not be applicable to BED. In the event that the Commission were to determine that FERC Order 2222 applied to BED, BED assumes that the Commission could deny a CPG due to adverse impacts. If it were determined that this were not the case, this should be a significant consideration in any future Commission proceeding to determine whether FERC Order 2222 should apply to the smaller utilities in Vermont.

i. Aggregation Amendments

If an already existing aggregation seeks to amend its aggregation, what opportunity does the utility have to assess system stability, system reliability, and transmission effects of the proposed amendment? How can Commission processes and rules ensure that utilities can review amendments and change existing interconnection agreements (if necessary)?

The current process for providing the utilities, Department and Commission with opportunity to review and comment on proposed amendments to generation facilities seems like it would provide sufficient opportunity for these stakeholders to review and provide comments on the system impacts of amendments to storage facilities as well.

Thank you for the opportunity to provide comments. Should you have any questions or concerns, please feel free to contact us at any time.

Sincerely,



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