GREEN MOUNTAIN POWER
Generating Possibilities Together

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Via ePUC

March 11, 2022

Holly Anderson, Clerk
Vermont Public Utility Commission
Peoples United Bank Building, 4th Floor
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 21-3883-RULE – Proposed creation of Vermont Public Utility Commission Rule Concerning Energy Storage

Dear Ms. Anderson,

Green Mountain Power Corporation ("GMP") appreciates the opportunity to provide the following responses to the Commission's information requests set out in its Order of February 16, 2022.

<u>Topic 1: Simplified Siting</u>

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?

GMP supports amending existing Rule 5.900 to apply to storage facilities but would defer to other stakeholders such as the Agency of Natural Resources ("ANR") for specific requirements.

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 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?

If stakeholders determine that the same simplified process could be applied to energy storage devices other than batteries, then it would be appropriate to include all such devices in the simplified process. GMP's primary focus will continue to be ensuring that we have an opportunity to review all projects, regardless of technology, for system impacts.

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?*

This question appears to be directed to ANR.

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?*

If the Commission waived most of the criteria under 30 V.S.A. § 248 for systems sited within existing buildings, GMP believes there may indeed be a regulatory incentive to develop projects within existing structures. This may be beneficial if it does not create public safety concerns due to fire risk. The Commission should continue to require that the energy storage projects document and verify that the system and its associated controls and safety systems comply with NFPA70 as part of Rule 5.500.

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?*

As we have discussed in the ongoing 5.500 Interconnection Rulemaking in Case No. 19-0856-RULE ("5.500 Rulemaking"), our primary focus is making sure that notification is provided to the Interconnecting Utility for all systems installed and interconnected to the electric system. GMP recommends that even small systems register with the Commission, and that such registration be as simple as possible to encourage this notification.

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?*

Our response assumes that the question refers to projects greater than 100 kW in size and not to smaller systems, such as storage added to a residential rooftop solar system. GMP does not have an opinion on whether the storage system should obtain a new, separate CPG or if the existing CPG should be amended, as long as there is a process which triggers interconnection review and any operational conditions are captured in the new or amended CPG and the interconnection agreement. As described previously, GMP's primary focus would be the safe and reliable interconnection of the new storage facility under Rule 5.500, including that we conduct any studies that may be required to ensure there are no adverse impacts for the aggregate amount being connected.

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?*

GMP is still reviewing the codes and standards that the Department put forth and would recommend further stakeholder discussion on which codes and standards are appropriate to adopt, as some may have overlap or may not necessarily apply to certain types of projects or installations. In the event new standards are issued as technologies advance or change, the rule should allow the PUC to adopt those standards by order without commencing a new rulemaking.

While the standards that exist today should apply to all projects regardless of size, it is possible that new codes and standards will be created that apply only to certain size projects. The standards should be identified in Rule 5.500 with the respective project sizes to which they apply.

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?

The Commission's question seems to pertain to whether FERC jurisdiction has preempted any state level review over aggregations. The parameters of FERC Order 2222 and FERC decisions related to it will evolve over time. While the FERC has jurisdiction over wholesale markets and wholesale transactions, the Commission retains authority through its Section 248 process to ensure that DERs connected to the distribution system will not adversely impact system stability and reliability for the protection of customers, distribution utilities and their workers, and the public in general. The Commission also retains its authority to regulate retail rates. To protect retail customers from any adverse economic impact of aggregation, the Commission and distribution utilities may need to focus on appropriate rate mechanisms to ensure that storage facilities/aggregators engaged in wholesale transactions pay appropriate compensation for the use of the distribution system to avoid subsidization by retail customers.

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)?

We addressed this question in our February 11, 2022 comments in the 5.500 Rulemaking, where we stated that "[i]f an existing project proposes to participate in an aggregation or a new market after the impacts are studied, additional study analysis, at the expense of the Project, is required."

Any request to amend an existing aggregation should be conditioned on review of impacts by the Interconnecting Utility.

GMP appreciates the opportunity to provide these responses. Please don’t hesitate to reach out with questions.

Sincerely,

Josh Castonguay

cc: Service list (via ePUC)