

May 27, 2022

Via ePUC

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05620-2071

RE: 19-0855-RULE *Proposed revisions to Vermont Public Utility Commission Rule 5.100*

On April 29, 2022, the Public Utility Commission ("Commission") issued an Order requesting comments on Case 19-0855-RULE *Proposed revisions to Vermont Public Utility Commission Rule 5.100*. This proceeding was originally opened with the purpose of clarifying and streamlining the review process of net-metering systems while ensuring stakeholders can review the project prior to determining a Certificate of Public Good¹.

Based on our reading, the proposed changes appear to be in alignment with the stated purpose by streamlining and standardizing the administrative processes for net-metering applications as well as updating references to related rules and regulations. Overall, the Vermont Public Power Supply Authority ("VPPSA") would like to offer our comments of support while highlighting a few areas where we ask for additional clarity.

Part II: Registrations and Application for CPGs

VPPSA supports the proposed standardization around filing requirements and strongly supports the utility interconnection approvals prior to filing. We believe that obtaining utility interconnection approval prior to filing an application will strengthen grid and resource planning capabilities, as well as improve collaboration between applicants, developers, and the State's distribution utilities. Furthermore, we see that the proposed changes to filing requirements will standardize the pre-filing process and ultimately result in improved efficiencies for all stakeholders, including the Commission.

¹ See Commission issued Press Release dated April 16, 2019 *Vermont Public Utility Commission Seeks Input to Facilitate the Review of Net-Metering Projects*

Considering the historical confusion around major and minor amendments, VPPSA supports the Commission's approach to disincentivize changes to the application as well as clarifying the criteria and processes to address "substantial changes" to an application.

Part IV: The Net-Metering Program

VPPSA would like to express its overall support for the proposed changes under Part IV: The Net-Metering Program, as well as request additional information on a few specific sections.

Section 5.127 Determination of Applicable Rates and Adjustors. For the purposes of clarity, VPPSA supports the removal of specific REC siting adjustors, replaced by reference to the "most recent biennial update."

Section 5.128 Biennial Update Proceedings. VPPSA supports the proposed adjustments to filing dates that more closely align with other year-end reporting requirements. Again, these proposed changes should help to create efficiencies for all stakeholders.

Section 5.135 Participation in Wholesale Markets. The proposed changes add this Section and prohibit net-metering installations from participating in the wholesale market, unless authorized by the Commission. While VPPSA appreciates adding this Section to the Rule and highlighting its importance, there is no reference to define what criteria the Commission would use to authorize wholesale market participation. As power generation and battery storage continues to evolve both in-state and across the region, it would be beneficial to better understand how the Commission would approach authorization, a decision that VPPSA believes should be made in a separate process. In particular, VPPSA is concerned about the interplay between Rule 5.100, FERC Order 2222, and the ISO Rules implementing FERC Order 2222. It is VPPSA's understanding that allowance of a single generator to participate in the wholesale markets could result in the host utility being required to allow access for all such generators. Before the Commission approves any wholesale participation this interplay should be fully understood.

Section 5.136 Mitigation Fee for Constrained Areas of the Grid. VPPSA would ask the Commission to clarify its intent with respect to using an additional tariff mechanism and/or fees for constrained areas of the grid. The proposed language in this section does not make it clear who would pay the Mitigation Fee, nor does it offer any guidance

on how the Fee might be calculated, what might be legitimately included in that calculation, nor how it should be allocated among affected utilities, once collected. VPPSA requests dedicated proceedings around the details and mechanisms involved in implementing a Mitigation Fee for Constrained Areas of the Grid.

Conclusion

In conclusion, VPPSA appreciates the Commission's work and proposed changes to Rule 5.100 to create a more streamlined and efficient process for net-metering systems in Vermont.

While many of the proposed changes are more focused on the administrative review and application process, there are some new Sections which warrant additional clarification. Specifically, VPPSA requests additional clarification and/or dedicated proceedings regarding Sections 5.135 Participation in Wholesale Markets and 5.136 Mitigation Fee for Constrained Areas of the Grid.

Respectfully,

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on behalf of the Vermont Public Power Supply Authority
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