STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Proposed revisions to Vermont Public Utility Commission Rule 5.100	))	Case No. 19-0855-RULE

GREEN MOUNTAIN POWER REPLY COMMENTS

Green Mountain Power Corporation ("GMP") appreciates the opportunity to provide these further comments in response to the participant comments filed on May 27, 2022 in the above-referenced rulemaking proceeding.

GMP Response to REV and Advanced Energy Comments

Renewable Energy Vermont ("REV") made several recommendations in its comments including that the blended residential rate be updated on an annual basis. GMP agrees with REV with respect to the calculation of the blended residential rate but continues to support biennial updates. Using the actual blended utility rate is not problematic since it is calculable from utility billing data. Utilities should be able to provide this data to the Department of Public Service ("Department"). Continuing to update the blended residential rate on a biennial basis consistent with the REC/Siting Adjustor updates is administratively more efficient. Updating the blended rate annually while other adjustors are done biennially would introduce more billing system complexity, and utilities like GMP that automate billing functions would have to go through the technical work to expand the different vintages of net-metering compensation in their systems.

Updating the blended rate with the adjustors on a biennial basis also seems consistent with the net-metering statute[1] which requires the Department to submit to the Commission an evaluation of the current state of net-metering every other year. This evaluation must consider

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[1] 30 V.S.A. § 8010

several legislative policy directives including the current and future pace of net-metering, the existence and degree of cross-subsidy between net-metering customers and other customers, the effect of net-metering on retail electricity provider infrastructure and revenue, the economic and environmental benefits of net-metering, and the short- and long-term impacts on rates. As part of this evaluation, the Department must make a recommendation to the Commission on whether certain credits should be adjusted. The most recent biennial Order[2] reflects the thoughtful and thorough analysis undertaken by the Department and the Commission to calculate the overall payment net-metering projects should receive to appropriately balance the many factors laid out by the Legislature. Whether and how much to adjust the credits is necessarily tied to what the blended residential rate will be so that the overall cost, benefit, and impacts can be assessed.

REV also wants the Commission to drop the requirement for residential net-metering projects to use production meters. GMP is always looking for new ways to reduce costs for net-metering projects, including reducing the number of meters, and we hope to leverage developing technology in the future which may eliminate the need for the production meter. However, that technology is still being proven out; meanwhile the production meter remains the only feasible way for us to compensate all solar output without inappropriately compensating battery storage devices charging and discharging on the grid. That said, GMP is continuing to work on metering technology and alternatives, to hopefully one day eliminate the need for this production meter.

REV and Advanced Energy Economy submit that proposed Rule 5.135, which would require Commission approval before net-metering projects can participate in the wholesale

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[2] In re: biennial update of the net-metering program, Case No. 22-0334-INV, Order June 17, 2022.

market, is an unacceptable barrier to wholesale market participation envisioned in FERC Order 2222. GMP disagrees. Order 2222 does not remove state authority over net-metering, but it does direct grid operators to submit rules for participation in the wholesale market to be approved by the FERC. In response to this directive, ISO-NE submitted its proposal, and on May 18, 2022, the FERC issued a series of questions to ISO-NE, including questions about the metering requirements and limitations designed to prevent double counting of retail and wholesale activities. How these tariffs will be designed and implemented is far from clear at this time, but the FERC has not prohibited state utilities from regulating net-metering projects. Rule 5.135 is also not a ban on wholesale market participation; it simply requires Vermont net-metering projects to seek Commission approval before doing so. This approval could be done on an individual project basis or in aggregate. For example, once ISO-NE has approved mechanisms to prevent double counting, the Commission could approve all net-metering projects to participate in particular wholesale markets.

GMP Response to Comments of Department of Public Service

GMP agrees with many of the recommendations submitted by the Department including a limitation on the size of capacity increases that are allowed to receive pre-existing rate treatment. As the Department correctly illustrates in its comments, the impact to non-participating customers can be significant when large projects increase capacity yet receive the pre-existing rates.

GMP also agrees that it would be burdensome for small net-metering projects to receive interconnection approval prior to filing for a CPG and with its recommendation that the interconnection and net-metering rules allow the use of an updated registration form. This combined process also should be utilized for net-metering projects greater than the 15 kW recommended by the Department. For administrative efficiency for the Commission and other stakeholders, and to expedite issuance of CPGs for smaller projects even when interconnection issues arise, CPGs could be conditioned on the project complying with the host utility's interconnection requirements.

On the timeframe to commission a project, it is GMP's understanding that deadline extension requests have increased over the past couple of years due to the pandemic and related supply chain issues, both of which should subside in the future. Rather than revise the Rule to lengthen the commissioning timeline permanently or change the extension process to solve potentially temporary issues, we continue to support changing the commissioning deadline from one year to two years for a limited period. Allowing projects to sit in the queue for extended periods of time without making meaningful progress towards construction will only harm later queued projects. A project seeking interconnection is studied with all the projects in the queue ahead of it assumed to be in service so projects sitting in the queue can negatively impact later-queued projects' costs and schedules.

GMP Comments on Section 5.136 – Mitigation Adjustor for Constrained Areas of the Grid

GMP's primary comment on this topic was that grid adjustors are a tool that should be available to help address not only new generation within a known existing export-constrained area of the grid (like the SHEI area today), but also new generation in areas where there is limited room on the transmission or distribution system, so that new generation in the area would tend to advance the need for grid upgrade projects. The May 27, 2022 comments of the Department and VEC appear supportive of this point. Consistent with VEC's comments, GMP recognizes that some details with respect to implementation of a grid adjustor (e.g., where and when a grid adjustor is suitable, and how the magnitude of the adjustor should be set) would need to be determined and could vary on a case-by-case basis. Additionally, such an adjustor could incorporate cost-sharing mechanisms for certain upgrades.

GMP believes that the Department's recommendations with respect to information that utilities should provide if and when a grid adjustor is proposed for an area are reasonable. The Department's recommendation that utilities be allowed discretion to exempt certain net-metering systems from a proposed grid mitigation fee—based on considerations such as the project's anticipated output profile—is also appropriate.

GMP appreciates the opportunity to provide these comments. Please do not hesitate to reach out with any questions.

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GREEN MOUNTAIN POWER CORPORATION

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