STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-0855-RULE

Proposed revisions to Vermont Public Utility
Commission Rule 5.100

REPLY COMMENTS OF ALLEARTH RENEWABLES, INC.

AllEarth Renewables, Inc. ("AER") submits these reply comments on the Commission's proposed changes to Rule 5.100 in accordance with the amended schedule set by the Commission.

1. *The amended Rule should offer a simplified "behind the meter" option that would have the effect of equalizing net metering credits with residential rates on an individual utility basis.* The extent of the climate crisis and the need to combat it with all available tools has been emphasized by AER and other parties to this proceeding.[1] While the comments of the various parties have largely supported working within the existing structure of the Rule, that structure is unnecessarily complex, leads to increasing disconnects between net metering rates and residential rates especially during periods of inflation, and gives rise to a time consuming regulatory process with unpredictable outcomes and "adjustments" of REC and preferred site criteria that do not tie to the meaning of those words. Return to a system in which the net metering rate is set at the residential rate for each utility avoids complex regulatory proceedings like the Biennial Updates, can shorten and simplify the rule considerably, is readily understood

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[1] The "energy blindness" of our culture is well articulated by Nate Hagens in a recent podcast. https://www.youtube.com/watch?v=mVjhb8Nu1Sk

by present or potential net metering customers, and meaningfully tracks inflation and the other key factors that drive utility rates.

If the Commission does elect to stay with a blended rate approach, it should also give careful consideration to eliminating, or at least reducing, the inclusion of the low block rate preference power relative to municipal and cooperative utilities in making the blended rate calculations. The Department's blended rate calculations in the 2022 Biennial Update proceeding show that full inclusion of the preference power rate results in rates substantially below the statewide blended one, and the impacts of this are reflected in the minimal to literally no net metering development in a number of publicly owned utilities.[2] A narrowing of this disparity would promote a more uniform statewide development of net metering projects across utilities, and thus across the state, while maintaining the benefits that the low cost block brings to ratepayers of utilities where that block exists.

2. *Small systems should not be required to file proof of interconnection approval with registrations.* While the utility comments generally support the proposed requirement that proof of interconnection approval be filed with registrations, it is increasingly clear between this proceeding and the Interconnection Rule one that there is no substantive problem that needs to be solved with respect to the smaller registration level projects. The Department recognizes this in suggesting "that the Commission maintain a simple, and relatively expedited one-stop-shop process for net-metering systems up to 15kW *only*."[3] Such an approach is consistent with the absence of issues noted by GMP and DPS in an earlier workshop in the Rule 5.500 proceeding.[4]

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[2] https://epuc.vermont.gov/?q=node/64/166154/FV-ALLOTDOX-PTL (Department blended rate calculations filed April 8, 2022 in Case No. 22-0334-INV.)

[3] Department comments at 5 (emphasis in original).

[4] See Case No. 19-0856 Rule, AER Comments of February 11, 2022; GMP workshop presentation filed April 9, 2021 and DPS presentation filed April 16, 2021; transcript of April 19, 2021 workshop at 9 (DPS) and 55-56 (GMP). GMP

In fact, the most significant regulatory issue surrounding these smallest registrations is the undue burden that the current process causes to all, as Commission staff well articulated in a workshop held in the Rule 5.500 case earlier this month:

[T]he commission spends a lot of time, and I'm talking about with small projects here. You know, 15 KW size projects and smaller usually spends an awful lot of time processing communications between applicants and the utility about seemingly uncontested sort of interconnection issues about changing the, you know, reconnect time for inverters or getting a new distribution transformer installed and paid for.

This happens when someone files a net-metering registration form within 30 days or 10 business days depending on the size of the system. The utility files what's called an interconnection objection. Says there is an issue. Then we issue a memo saying applicant, there's been this objection raised. Can you please respond. We then wait for the response. Sometimes it comes instantaneously. Sometimes it takes weeks. We get that response. We review it. And then hopefully we issue an order saying we find that these interconnection issues have been resolved. Your CPG is being issued. You can go forth and, you know, construct. We don't -- we didn't think that that was a very efficient process or one where the commission was necessarily adding tons of value. Because no one ever seems to dispute these kinds of basic system upgrades or changes that are necessary to interconnect these small systems.[5]

AER respectfully submits that a sound course of action would be to convene a small working group of utilities, developers and any other appropriate parties to propose modifications to the registration form that would keep 15kW and under registrations within Rule 5.100, while obviating the process accurately described above, perhaps through a checklist of things that the registrant pre-agrees to if necessary and below a certain cost.

3. *Preferred site definition changes*. AER supports the thorough comments of Renewable Energy Vermont and Norwich Technologies on this subject.

4. *Extension of the construction period for net metering systems.* The Department's concerns with the two-year extension are misplaced in AER's view. While the Department posits that

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reiterated this the June 14, 2022 workshop in this same case, indicating that what it envisioned "is for 15kW or less projects we would be using the net metering registration simplified form." Tr. at 36 (K. Jones).

[5] Case No. 19-0856-Rule, Tr. June 14, 2022 at 26-27 (J. Marren).

issues may arise from "projects sitting in the interconnection queue for up to two years, and that may never get built,"[6] no concrete examples of this are provided, and the COID pandemic related extensions that have been put in place since 2020 have provided an opportunity to test a longer commissioning period during challenging time. If anything, the extension should be a longer one as requested by AER, given current supply shortages and that developers have no incentive to delays project completion longer than necessary.

5. *Rule 5.110 and elimination of transfer form.* The Department's hypothetical concern "that failure to officially transfer the system could have legal implications and liabilities for property owners" misses the pragmatic realities of what generally transpires in transactions where a net metering system is located on the land. The buyer sees that the system is physically there, the appraiser sees it as well and the lender then sees the appraisal, and any insurance considerations around it are addressed by the buyer and the lender. Relieving parties and the Commission of the administrative burden of the transfer forms, and lessening the requirements relative to CPG transfers apart from the underlying land, are positive changes appropriately reflected in the Commission's revisions.

6. *Standardized utility reporting templates and tariff requirements*. AER strongly supports the Department's recommendation that Rule 5.128(D) requires use of standardized reporting templates by the electric utilities. Use of such a template, and inclusion within it of the items listed by the Department in its comments,[7] will facilitate analysis of the data, and of the overall efficacy of Vermont's net metering program, for the benefit of all stakeholders.

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[6] Department comments at 13.
[7] Department comments at 16.

As discussed by AER in its initial comments as well as in its comments in the Biennial Update proceeding, the Rule should also (1) require notice to all parties to any generic proceedings of the filing of individual utility compliance tariffs; (2) ensure reasonable consistency in form between those compliance tariffs; and (3) require that those tariffs contain clear standards and procedures for how net metering information is provided to the net metering customer on the customer's bills.[8] The Department's reasoning around an information reporting template applies with equal if not greater force in these comparable contexts, where customer bills are the primary source of meaningful information for electric ratepayers, and utility tariffs reflect the precisely the terms under which services must be offered to those customers.

7. *Changes to Rule 5.129*. The Department correctly notes that the Commission is required to amend Rule 5.129(D) to reflect the higher customer capacity limit for schools and school districts, and this change should be reflected in the Rule. As discussed by AER in its initial comments, the customer cap should also be removed from this section of the Rule. Unlike the system size cap, the customer cap is not derived from statute, and nothing in Act 81's raising of the school cap, or any other statute, precludes the Commission from taking this step. Nothing in doing so compromises the rights of the Commission, the Department or potential intervenors during the permitting review of any net metering project, and elimination of the cap will enhance the ability of Vermont's larger businesses and other entities to meet their increasing demand through local renewable energy sources.

8. *Proposed Section 5.136 should not be included in the Rule, or alternatively should be replaced by a provision that enhances compensation for avoidance of such areas, and at the very*

[8] AER Comments at 5; see Case No. 22-0334-INV, AER Comments of April 25, 2022. In its Biennial Update Order, the Commission specifically indicated that this was an appropriate issue for consideration in this case. Case No. 22-0334-INV, Order of June 17, 2022 at 22.

least does not allow for imposition of mitigation fees on projects below 50kW in size. In supporting this addition of this provision to the Rule, the Department and the utilities embrace the approach set forth in the SHEI investigation, Case No. 20-3304-PET, without consideration of alternatives like that proposed by AER in its initial comments. An offering of incentives to net metering projects for *avoiding* grid congested areas, rather than a penalty for construction within them, is more consistent with promoting the needed societal electrification, and the filing of annual reports by the utilities in conjunction with the Vermont System Planning Committee can clearly delineate in the geographic area in which the incentive should be withheld. If the Commission does elect to include this section, the smallest registration level projects should be exempted from any potential mitigation fee given their limited impacts.

9. *Eliminating production meter requirement*. AER agrees with REV and others that the production meter requirement should be removed from the Rule.

10. *Postponement pending outcome of California Public Utilities Commission Rulemaking 20-08-020.* AER takes no position on the Department's renewed recommendation on this subject, but does note that this Vermont proceeding does not have a time frame dictated by statute, and the Commission appears free to accept the Department's recommendation if it chooses to do so.

Thank you for the Commission's consideration of these reply comments.

Dated this 24th day of June, 2022

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