



Community is at the Heart of VPPSA.

Vermont Public Power Supply Authority

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Via ePUC

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

VPPSA Response RE: Case No. 21-3883-RULE Proposed Creation of Public Utility Commission Rule Concerning Energy Storage

The Vermont Public Power Supply Authority (VPPSA) appreciates this opportunity to provide comments on the Public Utility Commission's first draft rule concerning energy storage in Vermont. VPPSA, as an instrumentality of the State of Vermont, has a mission to support and advance the interests of its eleven (11) municipally owned electric distribution utilities, including the customers and communities they serve.¹ In aggregate, VPPSA's member utilities serve approximately 30,000 customers in over 50 communities across Vermont in some of the most rural and energy burdened areas in the state.

VPPSA's relationship with its members creates a clear distinction between distribution system operations and VPPSA's joint action support services such as demand-side energy services program administration, wholesale energy market

¹ VPPSA Member Utilities include Barton Village; Village of Enosburg Falls; Hardwick Electric Department; Village of Jacksonville; Village of Johnson; Ludlow Electric Light Department; Lyndon Electric Department; Morrisville Water & Light; Northfield Electric Department; Village of Orleans; and Swanton Village.

procurement and representation, and other services offered by and through the Authority. Therefore, specific interconnection processes and procedures are managed directly by and through the interconnecting utility and project applicant. However, VPPSA has continued to support its members in pursuit of state and federal grant funding opportunities that strengthen its members' asset portfolios to meet grid modernization requirements, including energy storage systems. These diversified assets and related funding programs seek to reinforce system reliability, redundancy, and local energy democracy that also addresses the growing presence of intermittent generation resources coupled with regulatory requirements to encourage further electrification in both thermal and transportation sectors.

Per the Commission's request, VPPSA offers direct comments on the following:

Purpose, Scope, and Applicability

To ensure there is no ambiguity as it relates to applicability of this proposed rule, VPPSA suggests the Commission slightly modify Section 9.101 to read:

9.101 Purpose, Scope, and Applicability

- (A) This rule implements the provisions of 30 V.S.A. § 248(u) and governs the installation, construction, **operation, and aggregation** of energy storage facilities in Vermont. Unless otherwise specified, facilities covered by the provisions of this rule are exempt from the provisions of Public Utility Commission Rule 5.400.

Definitions

Battery vs. Non-Battery Systems

VPPSA suggests the Commission include more specificity on the definition and use cases of energy storage. Further, while the draft rule differentiates “Battery” vs. “Non-Battery” systems under **Section 9.303**, no specific definition is provided under **Section 9.102**.

With rapid development and market maturity in various energy storage system technologies and applications, VPPSA proposes a more comprehensive list of specific technologies under the proposed Rule’s authority (for example: pumped-hydro storage, flywheels, gravity-based storage, thermal storage, flow- or lithium-ion batteries, etc.).

Aggregation & Aggregators

VPPSA concurs with the positions and concerns raised in both Green Mountain Power and Burlington Electric Department’s comments under this request. There should be careful consideration to ensure there are no direct conflicts created with FERC Order 2222 requirements, wholesale market participation, nor utility-offered programs that limit customer choice and participation under host-utility interconnection and program requirements.

Certificates of Public Good for Energy Storage Facilities

As an overall comment, VPPSA continues to have concerns with the expanded applicability of new rules and rule revisions that expand regulatory requirements for systems below federal requirements (i.e. down to 100 kW system capacity vs. 4.99

MW), and would encourage additional stakeholder process which seeks to balance system safety and reliability with the ability to support system deployment in a timely fashion without excessive barriers to installation.

To encourage clarity in the Rule's proposed distinction between battery and non-battery energy storage facilities, VPPSA suggests the Commission modify the title of Section 9.300 to read:

9.300 Certificates of Public Good for **Battery and Non-Battery** Energy Storage Facilities

Notice of and Operational Requirements of Aggregators/Aggregation

VPPSA concurs with GMP's comments related to the PUC questions 9, and 10 concerning aggregations and aggregators. VPPSA agrees that plans for aggregation should be reported during the CPG process, though it should also be distinguished whether aggregation is occurring under direct operating agreements with the host-utility or through a utility-sponsored economic program. Any aggregator operating requirements or practices should be addressed under the interconnection process.

Conclusion

While VPPSA's comments only address some of the initial areas of concern, we look forward to continued process as the Commission considers impacts and practical applications of a comprehensive rule regulating energy storage systems.

If the Commission has any questions or would like to discuss any of these comments in greater detail, please do not hesitate to contact me.

Respectfully,

/s/

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