

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-3351-INV

Investigation into the potential need for
transmission system improvements identified
in the 2024 Vermont Long-Range
Transmission Plan

Vermont Electric Cooperative's Responses to Information Requests

In response to the July 6, 2026 *Order Requesting Comments on Staff Recommendations* (“the Order”), Vermont Electric Cooperative, Inc. (“VEC”) files these responses.

Comments on the Recommendations

The Order requests that participants provide any comments on the recommendations. VEC supports continued review of generation development in the Sheffield-Highgate Export Interface (“SHEI”) and agrees that the Public Utility Commission (“the Commission”) should consider both historic curtailment concerns and current system conditions before establishing any new requirement for net-metering registrations.

VEC planning materials describe the SHEI as an area where excess generation may need to flow out over limited transmission capability, creating the potential for curtailment when export limits are reached. At the same time, system conditions are constantly evolving. In the past, VEC has entered into Memoranda of Understanding with projects greater than 150 kW located in the SHEI that include a grid adjustor payment, with this payment being a condition of a project's Certificate of Public Good. In recent years, this grid adjustor fee has been applied to projects as small as 50 kW (for example, Case No. 21-3154-NM West Glover Roaring Brook 50-kW).

VEC recommends that the Commission consider three important developments when evaluating whether a new net-metering adjustor mechanism is necessary: (1) the pace of net-metering

applications, (2) system upgrades and planned system upgrades, and (3) ease and cost of administering a net-metering adjuster fee. Net-metering application activity has declined substantially in 2026 compared to recent years. Based on current trends, VEC expects lower levels of new net-metering development in 2027 and beyond unless future policy or market conditions stimulate additional growth.

The recently completed K42 Franklin County transmission line upgrade has materially changed system conditions within the SHEI. The project is expected to provide approximately 20 MW of additional transfer capability, reduce near-term curtailment risk, and create meaningful headroom for future generation additions. Green Mountain Power's Lowell-to-Morrisville upgrades to the subtransmission network will also be reflected in ISO-NE's interface limits and they will, along with the K-42 upgrade, increase the SHEI export limit and therefore reduce the risk of congestion and curtailment of local generation going forward. In addition, over the last several years import flows from Hydro Quebec to Vermont over the Highgate Converter have decreased significantly which has driven down the frequency of curtailments in the SHEI. The K42 upgrade and other import and system changes have created an operational environment today that is significantly different from the conditions that existed when many of the original SHEI concerns surfaced.

Given these developments and the potential for administratively burdensome implementation processes, VEC's preliminary position is that a tariff-based net-metering adjuster fee is not warranted at this time and that additional analysis would be required before establishing a net-metering adjuster fee or tariff mechanism.

Net-Metering Generation Added in the SHEI

The Order requests that for the SHEI, participants identify how much generation from net-metering registrations was added in 2025, added to date in 2026, and expected by the end of 2026, and explain any economic impact of the added generation, including whether any of this generation displaces or requires curtailment of other renewable generation.

The following table shows the requested information on the additions of net-metering registrations:

Period	Generation Added / Expected	Application Trend Context	Notes
2025	63.8 kW Pending, 705.69 kW In Service	22 Applications, 5 Still Pending, 17 In Service	705.69 kW add at 17 sites
2026 to date	32.6 kW Pending, 21 kW In Service	5 Applications, 3 Still Pending, 2 In Service	Data is through Aug 6, 2026.
Expected by year-end 2026	32.6 kW from 3 Pending Applications submitted this year	3 Pending Applications	Included only projects with reasonable likelihood of completion or registration by year-end.

For grid adjuster fees, VEC in 2026 received \$62,624.50 for Kearsage Solar LLC (Case No. 24-0039-NMP).

As for the economic impact of added net-metering generation, historically generation added within the SHEI increased the likelihood that existing renewable generators would be curtailed during periods of low load and high renewable production. When generation is curtailed, customers may bear costs associated with generation resources without receiving the full energy benefit from those resources. The most recent calculation methodology of the grid adjuster fee was designed to use future estimates to provide an economic impact of those additional resources to the SHEI. If the calculation methodology used for the most recent grid adjuster fee was applied to a 10kW project in the SHEI, the fee would be \$125. When the calculation methodology was put in place, it was expected that it would be updated periodically based on new curtailment data. As mentioned above, the system changes have exceeded even what was anticipated in the most recent grid adjuster methodology.

Accordingly, VEC recommends that any conclusions regarding economic harm to new small net-metering registrations be based on updated curtailment data, post-K42 operating conditions, and current net-metering application trends.

Whether a Tariff or Other Adjustor Mechanism is needed

The Order requests that participants address whether a tariff or other mechanism is needed to assign adjustor fees for new net-metering registrations in the SHEI and whether the Commission should open a proceeding to investigate the need for such fees. At this time, VEC does not recommend implementation of a new SHEI-specific tariff or adjustor mechanism for net-metering registrations. A tariff or fee mechanism may be appropriate if current data demonstrates that new net-metering registrations impose measurable and material costs on other generators through increased curtailment or displacement of existing renewable generation. However, current conditions suggest that further analysis is warranted before establishing such a mechanism.

VEC recommends that the Commission consider the administrative burden of creating and maintaining a SHEI-specific adjustor fee, especially where the underlying constraint can change over time due to transmission upgrades, operating conditions, changing generation output, and changes in net-metering application volume. The recent K42 upgrade and the apparent drop in net-metering applications are important considerations in determining whether an adjustor fee would produce meaningful benefits relative to its complexity.

Whether the Commission Should Open a Proceeding

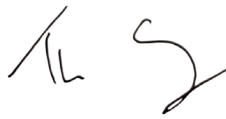
VEC does not believe the Commission should open a proceeding at this time; however, it would support a focused investigation, workshop, or collaborative process if the Commission determines that further review is needed. Such a process should be based on current operating data and should evaluate post-K42 transmission upgrade conditions. Any such process should consider:

- Current curtailment levels within the SHEI after the K42 transmission upgrade entered service.
- The amount of net-metering and other distributed generation added in 2025 and 2026.
- The decline in net-metering applications 2026 to date compared with prior years and how this decline affects future net-metering application estimates.
- The additional headroom provided by the K42 transmission upgrade and whether that headroom is expected to be sufficient for several years in the future.
- Whether current adjustor calculations would produce material value if applied to small systems such as 10 kW or 15 kW net-metering installations and identify if they were applied whether this would be administratively burdensome.
- Alternatives to adjustor fees, including storage, flexible load management, DER management, and other non-wires solutions.

VEC appreciates this opportunity to comment and provide information.

DATED at Johnson, Vermont, this 12th day of August 2026.

By:



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