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 DEPARTMENT OF PUBLIC SERVICE
COMMENTS ON COMMISSION STAFF RECOMMENDATIONS

On July 6, 2026, the Hearing Officer in the above captioned matter issued an Order Requesting Comments on Staff Recommendation ("Order") including an information request for comments on the recommendations within the Order. Recommendations for comment include: that no further action take place in this proceeding; that no changes be made to the current Vermont Long Range Transmission Plan ("LRTP") and related Non-Transmission Alternatives ("NTA") Study Process; that no change be made to the long-range plan planning process or the process for conducting the next plan; that the Commission and the Vermont Department of Public Service ("Department") use the integrated resource plan process to track and monitor utility progress in managing distributed generation growth ("DG"); and that the Commission continue to apply the Sheffield Highgate Export Interface ("SHEI") adjustor fees on a case-by-case basis as part of the certificate of public good ("CPG") process. Other information requests within the Order sought information on the economic impact of additional net-metering ("NM") generation within the SHEI and its displacement or curtailment of other renewable generation; whether a tariff or other mechanism is needed to assign adjustor fees for new NM registrations within the SHEI and whether the Commission should open an investigation into the need for adjustor fees for new NM registrations in the SHEI.

<u>NTA Study Process, Next Long-Range Transmission Plan</u>

The Department agrees with the recommendation that no changes to the NTA study process established by Docket No. 7081 are needed, nor are changes to the next LRTP necessary. Since the conclusion of the NTA process, members of the Geographic Targeting Subcommittee ("GTSC") have met to discuss lessons learned from the NTA analysis – the first conducted in a decade – to consider changes to GTSC processes, timelines, and responsibilities as enumerated in its own guidance documents. Such improvements are intended to memorialize the lessons learned in stakeholder engagement, analysis, and reporting in the process undertaken in this long-range planning cycle for the benefit of future cycles. As of now, it is not expected that any changes would require Commission approval. The LRTP process is working as intended; the Department has not identified specific changes to the process that would be necessary for the next plan.

<u>Distributed Generation Growth</u>

Commission Staff recommend the that Department and Commission track distribution utility ("DU") progress in managing DG growth through IRPs.

The Department recommends that the Commission consider that DUs be required to track their DERs with granularity or provide corresponding data in their IRP. The Department's review and the Commission's approval of IRPs ensure a robust utility decision-making framework that requires understanding of Distributed Energy Resources ("DER"). However, it does not necessarily require utilities to track their DERs with granularity or provide corresponding data in their IRP.

The Department suggests that the Commission require DUs – when they provide Planning Procedure 12 generation ("PP12") data to Independent System Operator - New England ("ISO-NE") – to also provide it to the Commission and Department. Currently, most – but not all –

utilities voluntarily submit PP12 data to the Department (annually), which they provide to ISO-NE multiple times per year. Other avenues for transferal of generation interconnection data, including but not limited to reporting on Green Mountain Power's ("GMP") Multi-Year Regulation Plan, automatic submission to the Department ISO-NE PP12 data, the Department's Annual Utility Resource Survey, or other methods, may be necessary to sufficiently monitor utility progress as intended.

<u>Locational Adjustor Fees</u>

Commission Staff indicated that they were persuaded that locational adjustor fees may not be the best tool to optimize the location of distributed generation, except in the case of known constraints (or forecasted near-term constraints). The Department agrees with this conclusion but remains concerned that the DUs have a sparse set of tools to make the most efficient use of existing grid capacity or to increase grid capacity in areas that may be conducive to otherwise affordable siting of generation.

With adequate DG management capabilities, patterns may shift from the present distribution of interconnection across the system to areas that are more optimal for the grid and potentially more affordable for ratepayers. These capabilities, such as contractual terms for distributed generation that include the ability for utilities to curtail output in some hours, are becoming more prevalent. The Department continues to look to VELCO and the Vermont System Planning Committee ("VSPC") to consider these issues in development of the LRTP, and for DUs to consider these capabilities individually and collectively in collaboration with other DUs in their decision making as articulated in their IRPs.

In the absence of any trends in interconnection data that conflict with historical deployment patterns of DG across the state, it is likely that applying the assumption of continued solar growth according to those patterns, VELCO will assume generation in parts of the system not well equipped to accommodate it. These patterns could, if based on sufficiently granular data, help utilities justify adding more tools to flexibly manage DG because they generally come at a lower cost than adding transmission (or distribution) infrastructure.

Another pathway towards additional siting tools could come in the form of a Commission process to consider location (and/or time) in DG programs such as net-metering. Location or time-based compensation principles may also readily apply to implementation of flexible load management ("FLM") schemes – which itself could help resolve generation hosting capacity issues.

Other Information Requests

The Order requested information on the economic impact of additional net-metering generation within the SHEI and its displacement or curtailment of other renewable generation. The Department looks to Vermont Electric Cooperative ("VEC") and other utilities to provide data in response to the Commission's question regarding generation interconnection data, as well as economic impacts. The Department will complete its Annual Utility Resource Survey in September of this year and expects to contemporaneously receive PP12 data for DG deployment from all DUs through August 31, 2026. As suggested above, the Commission should also require the utilities to copy the Department and Commission on each submittal of the data to ISO-NE.

Finally, the Department suggests that it is not necessary, at this time, to open a proceeding related to small-scale generation within the SHEI. VEC and GMP have committed, in Memoranda of Understanding signed with the Department and filed with the Commission in their respective IRP proceedings, to jointly undertake implementation of a locational adjustor fee tariff for the SHEI area; GMP also committed to do the same for its Vergennes substation. It is expected that the comprehensive analysis attendant to the development of this tariff will likely yield additional insights beyond the patterns discovered in the first effort to quantify and recoup ratepayer financial losses suffered from historic SHEI curtailment that resulted in the current ad hoc SHEI fee. The detection of any significant deleterious economic effects of small-scale generation interconnection on existing, dispatchable, ratepayer-impacting generation could serve as grounds to further consider the application of a locational adjustor fee to small-scale generation.

Conclusion

The Department thanks the Commission for the opportunity to comment in this proceeding, and for its attention to long-term transmission planning, non-transmission alternatives evaluation, and generation interconnection.

Dated at Montpelier, Vermont this 14th Day of August 2026.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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