

Filed via ePUC

February 3, 2022

Mrs. Judith C. Whitney
Clerk of the Commission
Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 20-0789-INV Request for Comments on Requests to Extend Commissioning Deadlines

Dear Commissioners,

MHG Solar is writing in response to the Commission's request for comments regarding the REV and AllEarth motions for a one-year extension of all commissioning deadlines for net-metering and standard-offer projects. MHG agrees that, in light of the unprecedented delays and market volatility caused by both the onset of the COVID-19 pandemic and largely unanticipated long tail impacts on global supply chains and market forces, an extension is necessary for the preservation of projects, jobs and Vermont's progress toward climate goals.

The one-year timeline from CPG issuance to project operation has long stood as a reasonable benchmark in the development community as striking a balance between the need to ensure projects actually move forward and the acknowledgement that the planning, coordination and execution of a large solar project does in fact take time. The problem that MHG and all other developers and builders of projects are facing is that current market forces and conditions have been broadly thrown into disarray by COVID-19. These forces are out of our reasonable control as a developer.

The successful construction and operation of a solar project requires the aggregation of a large number of complex components from equipment racking, inverters, combiner boxes and solar modules to an entire host of typical construction materials like conduit, wire and fasteners, and aggregate. It also requires the coordination of a diverse number of onsite labor forces to complete the required civil, mechanical and electrical work to physically construct a project. Lead times on major materials like racking and transformers have both grown and simultaneously become wildly unpredictable. GMP recently informed us that transformers for 500kW projects (167kva single phase transformers) have a 60 week lead time, which in and of itself is longer than the 52 weeks allotted by a one year commissioning deadline. Estimated racking deliveries have continued to grow and now exceed 20-22 weeks representing a massive chunk of a one-year execution timeline. Perhaps even more importantly than these extraordinarily long lead times is the fact that delivery times are constantly shifting as suppliers

simply cannot accurately predict when materials are available. Severely reduced labor forces at physical resource sites to factory assembly lines are compressing the front end of the supply chain. Similarly, global ports and shipping lanes are backed up, MHG recently saw a nearly 2-month delay in originally predicted shipments on racking. Materials sat for weeks in an outbound port waiting in queue and then similarly sat at an inbound port, again waiting for the limited port capacity to open up. This expansion of lead times coupled with unprecedented volatility have made it impossible for projects to layer project construction tasks in the manner that has become a standard approach to meet the one-year commissioning deadline. Everything is stage-gated waited on the item before it to break free of the supply chain congestion.

Finally, it cannot be understated that there is a human resource issue as well. Solar project development and construction in Vermont has created a robust industry of well-paying jobs but COVID restrictions, ongoing recovery measures and lack of predictability on project timelines makes hiring, staffing and deploying of Vermonters to build the projects challenging. Forcing projects to the brink because of schedule pressure will have the impact of project cancellations and job loss as hurdles mount. An already constrained labor pool will feel the impact. The solar labor force is not immune to COVID and we all know family members and friends who have become ill and unable to work because of COVID infections. Staffing shortages, and unpredictability, resulting from COVID infections are real and have been felt across the entire economy.

As MHG has set forth in several other motions for extension that have been granted by the Commission or are under consideration by the Commission at this time, it is hard to concisely summarize all of the impacts that COVID-19 has had on the supply chain and labor market necessary to build projects. The current market conditions are both fully out of the control of CPG holders like MHG and dramatically different than the market conditions that existed when the 1-year commissioning deadline was broadly considered by all parties to be a reasonable timeline.

To that end, MHG Solar strongly supports a one-year extension of all commissioning deadlines as set forth in the request for comments, as it stands as a logical way to broadly address many of the unknowable variables tied to this broad disruption without every project having to come before the Commission with largely the same pattern of facts.

Regards,



Pete Giese
Owner

MHG Solar
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