

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 20-0789- INV

Vermont Public Utility Commission orders and memoranda issued in response to COVID-19 pandemic

**COMMENTS IN SUPPORT OF MOTION FOR EXTENSION OF
COMMISSIONING DEADLINES**

AllEarth Renewables, Inc. (“AER”) offers these comments in support of its prior motion and the parallel request of Renewable Energy Vermont (“REV”) for extension of CPG commissioning deadlines, in which AER and REV have asked the Commission to grant a one-year extension of all commissioning deadlines for both net metering and standard offer projects for which the current commission deadline falls at any point within calendar year 2022. Three fundamental factors strongly support this request.

1. *Pandemic-related supply chain and labor issues persist and are unlikely to end in the near term.* The impacts of the COVID-19 pandemic outlined in the AER and REV requests are well articulated in the comments that have been filed to date, and are well documented through a myriad of reports and sources around labor,¹ production,² and shipping³ issues. AER continues to see increasing pressure in all of these areas, including significant delays in obtaining components manufactured by our in-state suppliers. These factors have impeded the work of not only renewable energy developers, but of Vermont electric utilities as well, impacting those

¹ Recent information from the Vermont Department of Labor, for example, estimates that while Vermont has gained about 10,000 new positions, employment is about 19,000 workers below pre-pandemic levels. See <http://www.vtlmi.info/press.pdf>. The labor participation rate in the U.S. has also dropped significantly between 2020-2022 and continues to affect the US labor market, notably in the durable goods manufacturing sector, per a recent article from the US Chamber of Commerce. See <https://www.uschamber.com/workforce/understanding-america-labor-shortage-the-most-impacted-industries>

² A return to a normal supply chain is unlikely in the US, per a recent New York Times article. See <https://www.nytimes.com/2022/02/01/business/supply-chain-disruption.html> Per the United Nations Conference on Trade and Development (UNCTAD), even a 10% increase in container freight rates can reduce industrial production by around an estimated 1%. See page 18, third paragraph down of the report at https://unctad.org/system/files/official-document/rmt2021_en_0.pdf.

³ Trucking rates in the US, particularly in the Northeast, have remained elevated in Q1 of 2022. See <https://www.bloomberg.com/news/newsletters/2022-02-01/supply-chain-latest-2022-is-off-to-a-rough-start-in-logistics>. And per the World Container Index, spot freight rates for shipping have risen to be 80% higher than they were a year ago (as of February 10, 2022). See <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>.

utilities' ability to carry out what they need to do relative to interconnection of renewable energy projects both large and small.

2. *The granting of a generic extension is administratively efficient for the Commission and all parties.* Review of the Commission's recent Orders reveals a number of pandemic-related commissioning extension requests by AER and other parties. Each of these requests, regardless of how small the underlying project, requires the attention of the Commission, the Department of Public Service, the interconnecting utility and any other parties to the ePUC case for that project. As Vermont's short installation season begins to appear on the horizon, it is highly likely that the Commission will be faced with an increasing number of extension requests. The granting of an across-the-board extension for a meaningful period of time will avoid these administrative burdens.

3. *Granting a generic extension creates no incentive or motivation for delaying the installation of the projects covered by that extension.* While granting of the requested extension addresses the realities and achieves the administrative efficiencies described above, it creates no corresponding risk of motivating project delays. Both standard offer and net metering projects proceed under regulatory structures that link revenue to production. Understandably, customers of net metering system installers want to have their systems installed expeditiously, and those installers are placed at competitive disadvantage if their work lags behind that of other entities. It also is widely recognized that inflation has taken economic root,⁴ providing further incentive for completing installations before component prices, labor costs and shipping costs likely rise.

For all of these reasons, AER respectfully requests that the Commission grant the extension sought by AER and REV.

Dated this 11th day of February, 2022.

AllEarth Renewables, Inc.

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This document filed via ePUC

⁴ See <https://www.bls.gov/news.release/cpi.nr0.htm> (7.5% CPI increase in 2021).