STATE OF VERMONT PUBLIC UTILITY COMMISSION

Case No. 19-0856-RULE

Proposed revisions to Vermont Public Utility Commission Rule 5.500

Order entered: 05/15/2019

ORDER OPENING RULEMAKING

I. INTRODUCTION

In today's Order, the Vermont Public Utility Commission ("Commission") initiates a proceeding to review Commission Rule 5.500, which governs the procedures for the interconnection of electric generation systems.

II. <u>BACKGROUND</u>

In 2005, the General Assembly directed the Commission to adopt "by rule or order" standards for the interconnection of distributed generation.¹ On September 6, 2006, the Commission adopted Rule 5.500, which established standards for the review of interconnection applications by utilities.

In April of 2016, the Department petitioned the Commission to review Rule 5.500. The Department submitted proposed rule language, and a workshop was held to review the Department's proposal. The proceeding did not result in the adoption of any changes to the interconnection rule.

More recently, ISO New England ("ISO-NE") has found the need to update state interconnection requirements to include ride-through requirements for voltage and frequency excursions.² ISO-NE has adopted a source requirement document for inverters to address this issue.³

¹ Acts and Resolves, No. 61 § 7 (2005 Bien. Sess.)

² The term "ride through" refers to the ability of inverter-based generation to remain connected to the distribution system during voltage and frequency events that would normally cause generators to disconnect from the system.

³ Background information about this issue can be found in the following presentation from the Vermont System Planning Committee:

https://www.vermontspc.com/library/document/download/6224/ISO IEEE 1547 Presentation to Vermont Planni ng_Meeting_Final.pdf

III. **DISCUSSION**

This proceeding will continue to analyze the issues raised in the Department's 2016 petition for rulemaking and will address issues that have arisen since 2016.⁴ The proposed changes to the rule included with today's order are intended to clarify the interplay of the netmetering rule and the interconnection application review process. The draft rule builds on the Department's proposed revisions by establishing a "supplemental review" process that is consistent with the Federal Energy Regulatory Commission's revised Small Generator Interconnection Procedures. The draft rule also incorporates ISO-NE's ride-through standards for voltage and frequency excursions. The Commission proposes to allow utilities to file tariffs for cost-based interconnection application fees, as opposed to setting a standard application fee by rule. The attached draft is not intended as a finished proposal and Commission expects that additional revisions may be necessary to fully integrate the interconnection rule and the net-metering rule.

The Commission observes that the General Assembly has authorized the Commission to adopt standards for the interconnection of distributed generation resources "by rule or order."⁵ The Commission will use the rulemaking process to amend the provisions of Rule 5.500. However, stakeholders may inform the Commission if immediate action is necessary to implement ISO-NE's ride-through standards for voltage and frequency excursions.

IV. <u>REQUEST FOR COMMENTS</u>

The Commission requests that stakeholders provide comments by June 15, 2019, addressing the attached draft changes to Rule 5.500 and the issues discussed in today's Order. Additionally, stakeholders are invited to bring to the Commission's attention any other issues with Rule 5.500 that should be addressed through the rulemaking process.

This rulemaking is being processed in the Commission's online document management system, known as ePUC, which can be accessed at <u>http://epuc.vermont.gov</u>. Documents related to this rulemaking will be available in Case No. 19-0856-RULE.

⁴ The Commission will close that proceeding, which was initiated before the implementation of ePUC and inform the participants of this rulemaking, which will be accessible through ePUC.

⁵ Acts and Resolves, No. 61 § 7 (2005 Bien. Sess.)

In addition to comments on the substantive issues described in this Order, the Commission is interested in receiving comments on what the process for this rulemaking should entail (e.g., how many rounds of comments and workshops are appropriate). Comments should be filed in ePUC using the "Add Briefs, Comments, or Discovery" action. Comments should not be filed using the "Public Comment" option. The Commission will establish a service list for this proceeding, which is not a contested case. Anyone interested in participating should contact the Clerk of the Commission at puc.clerk@vermont.gov.

SO ORDERED.

Dated at Montpelier, Vermont, this	15th day of May, 2019	
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Ant	hony Z. Roisman)	PUBLIC UTILITY
The Mai	rgaret Cheney	Commission
Sar	ah flofmann	OF VERMONT

OFFICE OF THE CLERK

Filed: May 15, 2019

Clerk of the Commission ulit Attest:

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: <u>puc.clerk@vermont.gov</u>)

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PUC Case No. 19-0856-RULE - SERVICE LIST

*James Porter, Director of Public Advocacy Vermont Department of Public Service DPS-PA@vermont.gov

(for Vermont Department of Public Service)

Other Entities Receiving Notice:

E-mail List for Net-Metering Matters