Proposed Rule
Rule 5.500

October 19, 2016

DPS Petitions PSB To Open Rulemaking Process

- March 18, 2016 Petition filed
- Reflects views of Working Group but not a consensus document
- Requests Board to commence rulemaking within 30 days

PSB Rulemaking

- http://psb.vermont.gov/5550StatutesRulesAndGuidelines
- Board order 4/25/16 – commenced rulemaking process by soliciting initial comments on Proposed Rule
- Initial comments 5/13/16
- Workshop August 4, 2016
- September 9, 2016, REV, DPS and GMP submitted new redlined rule
- Comments September 16, 2016

REV, DPS and GMP Redline Rule

- **Flow of projects from Fast Track through Supplemental Review – 4 paths if failed screen**

1) interconnect without modification of the utility's system if consistent with safety, reliability, and power quality standards, 2) interconnect if agree to identified limited and low cost modification to the utility's electric system (e.g., changing meters, fuses, relay settings), 3) supplemental review, or 4) full study process.

- **Reason for change** - more projects through the Supplemental Review than would have been the case under the previous proposed Rule.

REV, DPS and GMP Redline Rule cont.

- **Scope of Supplemental Review**

Establishes structure where utility identifies known solutions to failed Fast Track criteria, and analyze whether those solutions are sufficient to interconnect. Rule maintains three screens established in the FERC SGIP but failure of screen does not necessarily mean full study is required if know solution exists.

- **Purpose** – remedies duplication of screens in fast track and supplemental.

REV, DPS and GMP Redline Rule cont.

- **The application fee amount and payment process**

Increases the Application Fee to $600 from $300 and codifies how application fees may be paid electronically and how payment relates to application completeness.

- **Purpose** - better reflect utility costs and make process more efficient.

REV, DPS and GMP Redline Rule cont.

- **Ride-through of frequency and voltage disturbances; smart inverter functionality**
- **Background** – original working group decided not to require specific ride-through other than what is in IEEE 1547. July 2016, FERC issued Order 828 requiring small generator interconnection agreements under FERC jurisdiction to allow for ride-through of voltage and frequency disturbances, consistent with Good Utility Practice.
- **Challenge**- Ride through reduces load-supply mismatch during grid emergency, and Department concerned that distributed resources that disconnect immediately may at some point be discounted in ISO-NE transmission studies or calculations of required generation capacity. However, current standards (IEEE and UL) contain anti-islanding provisions that could be contrary to ride-through, and safety issues could require more expensive interconnections. IEEE 1547a already has some ride-through and allows some extended ride-through with agreement of utility and applicant. IEEE in process of updating the relevant standard (IEEE 1547), but the timeline for an adopted standard, UL certification of equipment that follows that standard, and the commercial availability of such equipment, uncertain.
- **Solution** - Proposed new Rule requires consistency with the codes and standards and Good Utility Practice (which will require enhanced functionality as the standards require it), while allowing generators and utilities to agree to enable enhanced functionality in advance of formal requirements.

REV, DPS and GMP Redline Rule cont.

- **Site Control and Changes in Application Information**

Adopts language for site control demonstration similar to Standard Offer process and requires immediate notification of any changes to a project proposal that affect interconnection, including any loss of site control.

REV, DPS and GMP Redline Rule cont.

- **Miscellaneous**

✓ Utilities must raise *interconnection* issues (as opposed to other issues) during net metering comment period consistent with Rule 5.100, and projects cannot interconnect until CPG in hand

✓ Common language on study assumptions

✓ Public availability of a utility's interconnection queue upon request

✓ Shorter and more defined timelines for various steps in study and interconnection agreement process

✓ As-built drawings of generation resources required