

Vermont Public Utility Commission

Presentation to House Committee on Energy and Technology

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Margaret Cheney, Commissioner

Utility Regulation in Vermont

Public Utility Commission

- Independent
- Quasi-judicial
- Infrastructure siting and construction
- Rates, quality of service, overall management of utilities (electric, gas, energy efficiency, telecommunications, water)
- Implementation of policy directives
- Adoption of rules pursuant to Administrative Procedures Act

Department of Public Service

- Executive branch agency
- Represents the “public interest” in proceedings before the Commission
- Long-term State energy and telecommunications planning
- Works with customers to resolve complaints about utilities (Consumer Affairs & Public Information division)

History of the PUC, part 1

1855: Public Service Commission (PSC) created

1866: PSC receives powers of a court of record

1906: PSC has direct appellate review to Vermont Supreme Court

1959: PSC renamed Public Service Board

1967: State adopts Administrative Procedures Act

1969-70: Enactment of Act 250 and 30 VSA Section 248

1971: State adopts Vermont Civil Rules of Procedure (+ in 1983, Rules of Evidence)

1981: PSB is split into PSB and Department of Public Service

History of the PUC, part 2

1997: State authorizes net-metering (2001, PSB Rule 5.100 – net-metering)

2000: State creates Efficiency Vermont as a regulated utility

2005: State expands net-metering, enacts SPEED program, RECs, etc.

2006: PSB Rule 5.400 – Section 248

2009: State creates Standard Offer Program

2014: State expands net-metering and requires new rulemaking for 2017 forward

2015: State enacts Renewable Energy Standard and requires PSB rulemaking for RES

2017: PSB is renamed the Public Utility Commission (PUC)

Who Is Regulated by the PUC? Part 1

Rates, service quality, overall financial management of:

17 electric utilities

- ✓ 1 investor-owned utility (Green Mountain Power)
- ✓ 14 municipal electric departments
- ✓ 2 member-owned cooperatives

1 natural gas utility

- ✓ Vermont Gas Systems

Who Is Regulated by the PUC? Part 2

1 statewide transmission utility

- ✓ Vermont Electric Power Company (VELCO)

3 energy efficiency utilities (EEUs)

- ✓ Efficiency Vermont
- ✓ Burlington Electric Department
- ✓ Vermont Gas Systems

Who Is Regulated by the PUC? Part 3

- ✓ Owners and operators of nuclear power plants and all other electric generating systems
- ✓ Telecommunications companies doing business in Vermont
- ✓ Cable television (terms of service only, not rates)
- ✓ Water and large wastewater companies

What Else? It's Physical

Requests for “Certificates of Public Good” (CPGs) authorizing the construction of electric generation, electric transmission, natural gas transmission, telecommunications facilities

- Solar, wind, and other renewables
- Also any non-renewables
- Poles and wires
- Substations
- Battery storage
- Gas pipelines
- Wireless telecommunications towers

And... State Energy Policy

The Public Utility Commission is often charged with design and implementation of State policy, through rulemaking and other procedures.

- ✓ Energy efficiency programs
- ✓ Net-metering rules
- ✓ Standard Offer Program
- ✓ Renewable Energy Standard

PUC Structure

- 3 commissioners (1 full-time chair) appointed for staggered 6-year terms through Judicial Nominating Board and gubernatorial appointment
- 1 operations director
- 16 hearing officers:
 - ✓ Legal division (8 attorneys)
 - ✓ Policy division (7 people, including 1 policy director, 4 utilities analysts, 1 environmental analyst, and 1 engineer)
- Clerk's office (clerk, assistant clerk, 3 administrative assistants)
- Funded by gross receipts tax paid by Vermont utilities (*not* part of General Fund)

Types of PUC Proceedings: Formal

Under Vermont law, the Commission hears most cases under “contested case,” or court-like procedures based on rules of civil procedure. These cases are structured as if before a court of law, with decisions based on formally admitted evidence.


- ✓ Formal parties to a case usually include the Petitioner (e.g., a developer or a utility), Department of Public Service, Agency of Natural Resources, Agency of Agriculture Food & Markets, Division for Historic Preservation, adjoining landowners, towns, regional planning commissions, and others requesting intervenor status according to established rules.
- ✓ A public hearing and public comments can also raise issues for consideration.
- ✓ Parties may request an evidentiary hearing, where witnesses testify under oath.
- ✓ If no hearing, sworn testimony is filed in written form.
- ✓ The final decision is based on statutory criteria and the admitted evidence.

Types of PUC Proceedings: Less Formal

The Commission also uses informal processes, especially when implementing policy directives from the Legislature.

- ✓ Workshops may include a range of participants, especially members of the public. Written comments contribute to the process.
- ✓ The Commission may initiate an investigation at any time, using workshops and other processes to solicit ideas – for example, on how to spur adoption of electric vehicles.
- ✓ Rulemakings (e.g., rules for interconnection, net-metering, RES, etc.) typically involve an 18-month process with built-in opportunities for public comment and public hearings.

Policy Directives Change in Proceedings

- Infrastructure siting cases from 10% of Commission workload to 50%
- Telecommunications applications – more than 100 per year
- Net-metering applications – 20 in 1999  3,271 in FY 2018 alone
- 15 years ago, most citizens participated through public comments and public hearings; complaints very rare except consumer complaints against utilities
- Today, many citizens participate as parties in contested siting cases and file more complaints alleging CPG violations.

What is Section 248?

- In order to construct a project, electric, gas, and telecom developers must obtain a Certificate of Public Good (CPG) from the Public Utility Commission.
- Commission considers 10 statutory criteria, including environmental criteria from Act 250, plus issues like orderly development of the region, demand for service, system stability and reliability, economic benefit to the State, and the public good.
- There must be no undue adverse impact under any of the statutory criteria, including aesthetics, historic sites, environment, health/safety, and ratepayers.
- Different pathways for different size and type of projects

“Which 248” Depends on Project

- ✓ “Full” Section 248 proceedings (large projects)
- ✓ Streamlined proceedings (projects of “limited size and scope” – Section 248(j), 248(k))
- ✓ Modified review waives certain criteria – Section 8007(a) for renewables 150 kW and smaller; Section 8007(b) for 150 kW to 2.2 MW
- ✓ Net-metering rules provide a range of pathways depending on project size and complexity – simple 10-day or 30-day “registration,” streamlined “application” process, or more complex “petition” with potential for hearing

Programs and Pathways for Renewables

- ✓ Net-metering
- ✓ Standard Offer Program
- ✓ Large-scale generation built by developers or utilities

Net-Metering

Net-metering is the process of measuring the difference between the electricity supplied to a customer by their utility and the electricity fed back to the utility by the customer's electric generation system (typically solar). The net-metering program requires utilities to pay prescribed prices for participants' excess generation. Prices are higher for small projects on "preferred sites." Maximum size is 500 kW.

1) A simple "registration" process automatically results in a CPG if the Commission accepts it and no interconnection issues are raised by the utility. This simple process is available to:

- ✓ Small projects <15 kW
- ✓ Any project on a rooftop
- ✓ Hydroelectric facilities

Other Net-Metering

2) Streamlined “application” process applies to ground-mounted solar projects >15 kW in size and up to and including 50 kW (and any non-solar projects up to and including 50 kW).

3) Full-scale application process applies to all projects between 50 and 500 kW in size.

- ✓ Advance notice to communities, neighbors, statutory parties, utility
- ✓ Detailed site plans, including impacts on natural resources such as wetlands, agricultural soils, wildlife habitat
- ✓ Decommissioning plan (for projects >150 kW)

Standard Offer Program

Created in 2009 to promote the rapid deployment of renewable energy by providing long-term, fixed-price contracts for facilities up to 2.2 MW in size

- ✓ Solar, wind, landfill or farm methane, food waste anaerobic digestion, biomass, hydroelectric
- ✓ Through annual RFP, contracts awarded by lowest bid price
- ✓ Total program capacity 127.5 MW
- ✓ Successful projects then apply for Certificate of Public Good to construct

Other Pathways

Larger projects over 2.2 MW receive a Certificate of Public Good if they meet the statutory criteria outlined in Section 248. Such projects can sell their power directly into the market, outside any financial programs such as net-metering and standard offer.

- e.g., 20 MW solar project in Ludlow-Cavendish, 2018

A utility can also propose its own project, subject to the same CPG requirements.

- e.g., Green Mountain Power's 63 MW wind project in Lowell, 2012

Improving Ease of Access

ePUC – our on-line document-management system that makes it easier for regulated companies, parties, and members of the public to access information about cases

- ✓ Cases now filed electronically rather than on paper
- ✓ On-line access to case filings, schedule, public comments, testimony, and all other materials submitted in the case

Improved website

- ✓ Including new section to help members of the public, glossary of terms, links to rules

Handouts

- ✓ 3 new guides for citizens

Examples of PUC Cases in 2018

- 123 hearings and workshops held in FY18
- Sale of Vermont Yankee to NorthStar Decommissioning (complete)
- Green Mountain Power and Vermont Gas rate cases (complete)
- 3,271 net-metering cases filed in FY18 (compared to 925 in FY13)
- 152 applications for wireless telecommunications facilities in FY18
- 6 utility-scale battery storage projects
- Green Mountain Power rate design
- Proposed sale of Burlington Telecom

And ...

- Investigation to promote the ownership and use of electric vehicles
- Green Mountain Power multi-year regulation plan
- Rules for Renewable Energy Standard, interconnection, administrative procedures
- Biennial update to net-metering program
- Standard-offer RFP
- Investigation into Vermont Gas pipeline safety issues

Thank you!

<https://puc.vermont.gov>

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margaret.cheney@vermont.gov