Existing Grid Optimization & Electricity Cost Control Tools

- PUC Rule 5.500 Interconnection Rule: Any new generation project is required to file an interconnection application with the utility under PUC Rule 5.500. The project applicant pays for the utility studies of grid impacts at the distribution level (i.e., GMP, VEC, etc.) and transmission level (i.e., VELCO); identifies necessary upgrades, if any; and estimates associated costs. The project installer must pay the upgrade costs identified in each study. Ratepayers do not pay these costs.

- Utility Planning, Current Law – 30 V.S.A. Section 218c:
  - Section 218c (a)(1) requires every utility to create a "least-cost integrated plan".

- CPG Process, Current Law – 30 V.S.A Section 248(b)(3) & Section 248(b)(10):
  - Section 248(b)(3) does not allow the PUC to approve a project if it will result in an undue adverse impact to the electric grid.
  - Section 248(b)(10) requires that any new project "be served economically by existing or planned transmission facilities without undue adverse effect on Vermont utilities or customers."
    - Example Case – Relying on these statutory tools in the *Derby Solar* case, the PUC has effectively halted new solar projects in the SHEI temporarily grid constrained area because of costs associated with transmission-level grid constraints.

- State Energy Policy, Current Law – 30 V.S.A Section 8001:
  - General Assembly findings & directive to the PUC & DPS state "(a) … in the interest of the people of the State to promote the State energy policy…. by: (1) Balancing the benefits, lifetime costs, and rates of the State's overall energy portfolio to ensure that to the greatest extent possible the economic benefits of renewable energy in State flow to the Vermont economy in general, and to the rate-paying citizens of the State in particular…(7) Providing support and incentives to locate renewable energy plants of small and moderate size in a manner that is distributed across the State's electric grid, including locating such plants in areas that will provide benefit to the operation and management of that grid through such means as reducing line losses and addressing transmission and distribution constraints."

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