Overview of the Section 248 and Net-Metering Siting Processes

Jake Marren Hearing Officer and Deputy General Counsel Vermont Public Utility Commission

Section 248

- First adopted in 1969, the statute establishes a comprehensive siting review for all electric generation, electric transmission, and gas transmission facilities in Vermont.
- Supersedes local zoning review.
- Applies to all generation connected to the grid, from a single solar panel on a house to a 1000 MW nuclear facility.
- Section 248 has been described by the Vermont Supreme Court as "a legislative, policy-making process" that is conducted by the Commission using quasi-judicial powers.



Section 248

Typical Procedural Steps 45-Day Advance Submission Application Filed

Scheduling Conference

Site Visit (if scheduled)

Public Hearing (if scheduled)

Intervention Deadline

Discovery

Testimony and Exhibits

Stipulation or MOU (if any)

Evidentiary Hearing

Briefs

Proposal for Decision (if a hearing officer)

Introduction.

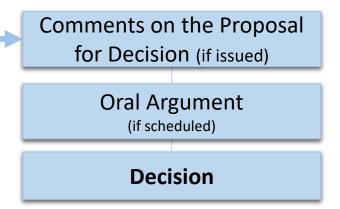
<u>Section 248</u> is a Vermont law that requires an approval from the Vermont Public Utility Commission before beginning site preparation or construction of:

- electric transmission facilities (e.g., a substation or large utility line),
- electric generation facilities (e.g., a power plant, or a solar or wind facility),
- · certain energy storage facilities, and
- certain gas pipelines and associated infrastructure.

Section 248 also requires Commission approval for some long-term contracts for purchasing power from outside Vermont and for some investments in transmission and generation facilities outside Vermont.

This document is a summary of the procedural steps and opportunities for public participation when the Commission reviews a Section 248 case. Underlined text will link you to more information about that step in the glossary or to an external website.

This document is a general guide for the public. It is not a comprehensive list of all the applicable statutory and regulatory requirements for such projects. Every project is unique, and this general guide cannot anticipate or explain all issues that may arise in a case. For specific guidance, please refer to the applicable statutes, rules, and legal precedent, or seek legal advice. Please feel free to contact the <u>Clerk of the Commission</u> if you have questions about the information in this document.



Not all steps in the flow chart will be conducted in every case. The order of steps can vary depending on the specific case.

Simplified Procedures for Net-Metering Systems

Registration Process

- Roof-mounted solar systems up to 500 kW
- Ground mounted solar systems up to 15 kW
- Hydroelectric systems up to 500 kW

Application Process

- Ground-mounted solar systems greater than 15 kW
- Systems using other technologies up to 500 kW



Registration Process

- Simple registration form collects name of customer, location of system, and basic description of the system.
- 15-day Commission review period.
- CPG is "deemed issued" unless Commission issues order stating otherwise.
- No notice to municipalities or adjoining landowners.
- Systems are presumed to comply with Section 248 criteria due to limited size and environmental impact.
- Commission review is limited to basic eligibility criteria.

Net Metering (Section 8010)

This document is a summary of the procedural steps and opportunities for public participation when the Commission reviews a net-metering project. Net-metering is the process of measuring the difference between the electricity supplied to a customer by its utility and the electricity fed back to the utility by a customer's electric generation system (such as solar panels). Net-metering is regulated by statute and by Commission rule.

Typical Procedural Steps for Net-Metering Applications

45-Day Advance Submission

Filing of Application

Commission Determines
Application to be
Complete

Applicant Issues
Application Notice

30-Day Period to File Public Comments; Requests to Intervene and Requests for Hearing?

No, then

Decision

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Net-Metering Rule: <u>Commission Rule 5.100</u> governs the review of net-metering systems.

There are two types of certification processes for net-metering projects:

- Net-metering registrations (<u>Rule 5.105</u>) and
- Net-metering applications (Rules 5.106).
 - Scheduling Conference
 - Site Visit (if needed)
 - Discovery (if needed)
 - Testimony & Exhibits
 - Stipulation or MOU (if any)
 - Evidentiary Hearing
 - Briefs
 - Proposal for Decision
 - Comments
 - Oral Argument



Decision

Yes, then

Concerns about Section 3 of S. 50

- Title 30, Section 248(s) establishes uniform setback requirements for solar facilities.
- S. 50 would apply municipal setback standards to net-metering systems 25 kW and less, creating a conflict. Unclear which standard should apply.
- There are 247 municipalities in Vermont. Setback standards may vary by location within each municipality.
- Setback requirements are not consistent with a streamlined registration process. Would require additional information from applicants and potentially necessitate increased application fees.
- Towns do not receive notice of registrations. May lead to enforcement actions and complaints.
- Options to address this issue:
 - Delete Section 3.
 - Increase registration review time and provide notice to municipality.
 - Require municipal approval before registration is filed.

Recommended Revisions to Section 4 of S. 50

- Sec. 4 of S.50 would allow a customer to change their environmental attribute (also known as a "REC") election one time.
- The Commission's current rule prohibits REC election changes because utilities rely on RECs from net-metering systems to comply with Vermont's Renewable Energy Standard.
- The Commission is not opposed to allowing registrants to correct a mistaken election but does not support allowing customers to change their election more than 90 days after a net-metering system is commissioned. The marketplace for RECs can change significantly over time and create an incentive for customers to switch their election if it is economically advantageous. This would be detrimental to all ratepayers because utilities may be forced to obtain attributes at a higher price.
- Net-metering systems are a significant source of Vermont's Tier II RECs. Utilities should be able to rely on the net-metering RECs that are committed to their portfolios.
- The Commission recommends that Section 4 be amended as follows:
- (I) <u>allows a customer to change the customer's decision to</u> retain or transfer the attributes once in the 90-day period after the net-metering system is commissioned.