July 17, 2025
Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05602

Re: Definition of single plant (25-1253-INV)

Dear Clerk Anderson,

The plant definition provisions in Act 38 reflect the clear desire of the Legislature and Governor to reduce duplicative costs related to the current definition of "plant" and promote more efficient land use through better utilization of sites that are well-suited to hosting solar and/or already host existing solar projects. Renewable Energy Vermont (REV) is pleased to propose a revised definition of "plant" that addresses these concerns and provides an objective standard that allows an independent technical facility to be treated as such by the Commission. REV looks forward to participating in the Commission's process of developing a recommended definition of plant that supports these goals.

Fundamentally, REV's proposal is intended to provide predictability before a CPG application is filed in order to support more efficient land use by renewable generation projects by promoting denser, "solar smart growth" and reducing the need for redundant access roads and line extensions. REV is committed to protecting Vermont's open spaces and supports reforms that facilitate more concentrated solar development. Making it easier to co-locate solar projects supports this goal and is consistent with the principle behind the planning processes underway at Towns and Regional Commissions in response to Act 181.

Moreover, by reducing the investment in redundant infrastructure and promoting better utilization of good solar sites, this proposal would also lower the cost of renewable power for utilities and Vermont rate payers. With the passage of Act 179, updating Vermont's Renewable Energy Standard, there should be broad support for reforms that make it more cost-effective to achieve the renewable energy requirement set forth in that Act. These proposed revisions to the definition of "plant" to reduce redundant costs are emblematic of the reforms that will allow us to achieve these requirements at the lowest cost.

As detailed below, REV believes that these proposed changes will reduce the time that PUC staff must devote to single plant determination cases for facilities that are not net-metered or enrolled in the Standard Offer Program. It will reduce the costs and uncertainty arising from the existing definition as interpreted by the Commission while protecting the state's interest in promoting distributed generation and reducing costs to consumers.

REV's responses to the specific information requests in the Commission's order are given below. Language from the Commission's opening order is shown in italics.

1. the language of the proposal (e.g., strikeout and underline of the statute);

"Plant" means an independent technical facility that generates electricity from renewable energy. Independent technical facilities of no more than 10 MW cumulative capacity that are located on the same or an adjacent parcel shall not be considered a single plant if each facility uses separate generators, inverters, and production meters. Common usage of utility owned electric distribution and transmission lines shall not indicate facilities are part of the same plant.

(a) For purposes of the net-metering program under Section 8010 of this Title and the standard offer program under Section 8005a of this Title, a group of facilities, ~~such as wind turbines~~, enrolled or proposed for enrollment in the net-metering program or standard offer program shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, ~~and~~ control facilities, and connections to the electric grid. Common ownership, contiguity in time of construction, and proximity of such facilities to each other shall be relevant to determining whether a group of facilities is part of the same project.

(b) A plant that is not enrolled or proposed for enrollment in the net-metering or standard offer programs shall not affect the eligibility of any existing plant that is enrolled in the net-metering or standard offer program, as applicable.

2. an explanation of how the proposed statutory changes would affect land use by energy generation facilities;

REV's proposed changes would facilitate denser solar development on individual and adjacent parcels near favorable interconnection sites. It is consistent with the "smart growth" land use principles that Towns and Regional Commissions are concentrating on under Act 181 when developing Future Land Use Maps to inform development areas. It would promote more efficient use of parcels hosting existing solar facilities, reduce the total land area required to meet the Tier II requirements in the RES, and reduce competition between energy generation and other land uses.

Under the Commission's interpretation of the current plant definition, REV members report either:

> a) avoiding the development of new projects on sites that already host solar due to concerns about the cost and uncertainty that the single plant determination process adds to the CPG process, or
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> b) explicitly proposing redundant access roads and line extensions so as not to trigger "common infrastructure" prohibitions.

In either case, the result is the construction of new access and interconnection infrastructure (at a second site in case a. or the same site in case b.) that would not be required if projects were allowed to share this infrastructure. Currently, this excess infrastructure unnecessarily disrupts the Vermont landscape. Developing projects at separate sites rather than the same site (case a.) also increases the land area that must be devoted to shading buffers and vegetative management and increases the number of parcels required for energy generation. These land use inefficiencies would be avoided under REV's proposal.

3. an explanation of how the proposed statutory changes would ensure comprehensive review of collocated facilities, and specifically, how the proposed statutory changes would affect the following areas where facility capacity is used as a screening mechanism:

REV's proposal leaves the current language in place for Standard Offer and Net-metering projects. Therefore, it would have *no impact* on items a-e (enumerated below) in the PUC's order.

> ***a. Standard Offer Program eligibility;***
> ***b. Net-metering program eligibility;***
> ***c. Net-metering registration form eligibility;***
> ***d. Net-metering rate categories;***
> ***e. Section 8010 application of the Quechee standard for aesthetics review of net-metering facilities;***

In practical terms, REV's proposal would have little to no impact on items f, h, i, and j and no adverse impact on item g. Outside of the net-metering program (which would remain subject to the same PUC review) and qualification for Tier II RECs (discussed separately in Section g), there is no financial incentive to build a project with a lower capacity than the maximum size a site will support. The CPG application process is sufficiently onerous and uncertain that seeking multiple CPGs to manipulate setback, fee, or application requirements to increase the profitability of a project is not a realistic concern.

f. Section 248(s) setback requirement categories;

The largest setback requirements go into effect for projects larger than 150 kW. The size of the independent technical facilities constructed under a PPA or with utility ownership in Vermont will ensure that future projects built with the proposed language will use the largest setback requirement.

Since January 1, 2016, no solar project 150 kW or smaller has filed for a CPG outside of the net-metering program. In the entire ePUC database, there have only been 9 such CPG filings, all legacy cases, with 8 of these cases occurring between 2010 and 2013 and one occurring in 2015. REV does not foresee any change to this development pattern and is therefore confident that future projects will be larger than 150 kW and subject to the largest setback requirements. Moreover, the PUC retains the right to require a larger setback than required in 248(s) in the unlikely event that projects of this size are proposed in the future outside of the net metering program.

h. Section 8007 simplified review qualification for small renewable energy facilities; and ***i. The Commission's simplified review (waiver process) for facilities from 150 kW to 2.2 MW;***

Under the latest revisions to PUC Rules 5.100 and 5.400, the only benefit that accrues to projects using the small renewables process is the conditional waiver of select Section 248 criteria.[1] The PUC retains the authority to rescind these waivers if a commenter or party provides a basis for doing so. Consequently, the public interest remains protected.

[1] Project 25 kW and smaller are also exempt from advanced notice and notice of petition requirements, but projects on this scale are only constructed as part of the net-metering program.

j. Application fee categories, pursuant to Sections 248b and 248c

Statutory fees set by the General Assembly are intended to cover "the reasonable cost of providing the associated [government] service or product or performing the regulatory function" for which a fee is paid.[2] For electric generation facilities, the General Assembly set the fee structure using the size of the facility as a reasonable proxy for the costs associated with regulatory review of the facility for which Public Utility Commission approval is sought. REV's proposal to eliminate the need for a separate plant determination for some electric generation facilities (those that are not net-metered or enrolled in the Standard Offer Program) aligns with the General Assembly's fee structure and will reduce the regulatory burden and costs associated with reviewing and processing CPG applications for those facilities. Any concern that REV's proposal will materially reduce annual revenue from application fees is theoretical because the rigor of the Section 248 review process and the cost of interconnection studies provide a significant deterrent to submitting multiple, simultaneous CPG applications for the purpose of paying lower application fees. In other words, a lower application fee for multiple projects would be more than offset by the additional time, effort, and money required to file multiple CPG applications. Attempting to achieve savings on an application fee by submitting multiple CPG applications is plainly irrational.

As an illustrative example, a CPG application for a 4 MW project would be required to pay $5/kW in 248b fees and $5/kW in 248c fees. Two 2 MW projects would each be required to pay $4/kW in 248b fees and the same $5/kW in 248c fees. In this example, the multiple CPG application approach would avoid only $4,000 in application fees but would necessitate multiple interconnection studies and multiple CPG filings. REV members report that the current cost of an interconnection study for MW-scale projects is on the order of $5,000 - $15,000 and considerably higher if cluster studies are required. Site plans also cost at least $5,000 - $10,000, and a full CPG filing is frequently over $100,000. Submitting unnecessary CPG filings to manipulate the state's fee structure is not economically viable.

g. Section 8005 distributed renewable generation categories;

REV's proposal would enable multiple Tier II projects, up to 10 MW of cumulative capacity, to be sited on the same or adjacent parcel. In most instances, this same development pattern could occur under current law, but at a higher cost due to the requirement to build redundant access roads and interconnection infrastructure to avoid common infrastructure across the projects.

From a grid perspective, 10 MW of renewable solar at a single location delivers very similar system benefits to 5 MW in a single location. Indeed, many entities use a distributed generation definition that is 10 MW or higher.[3] Therefore, REV's proposal strikes a reasonable balance between capturing the land use and economic benefits of lowering the barriers for co-located solar and the benefits of promoting distributed renewable generation.

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[2] 32 V.S.A. § 603(2).

[3] Examples of distributed generation definitions using a 10 MW or higher threshold include Minnesota's Distributed Energy Resources Interconnection Process (10 MW), ERCOT's Distributed Generation definition (10 MW), Wisconsin's Rules For Interconnecting Distributed Generation Facilities (15 MW), and Colorado's Rules Regulating Electric Utilities (30 MW).

4. an explanation of potential impacts to ratepayers associated with the proposed statutory changes.

REV's proposal would lower the overall cost of compliance with Tier II of the RES. Sites that have lower interconnection (or other) costs could be more fully utilized without redundant investments in access roads and line extensions. More marginal sites that might be developed at higher cost under the current plant definition would be avoided. Ratepayers would see lower rates as a result of more cost-effective development patterns.

New solar projects constructed under the language proposed here would face lower legal costs, as the separate plant determination process would not come into play. These projects would also have lower infrastructure costs since redundant access roads and line extensions would not be required. As a result, these projects would come in at a lower cost. Competitive utility procurement programs would ensure that savings will be realized by Vermont utilities and passed on to Vermont ratepayers.