

112 State Street  
4<sup>th</sup> Floor  
Montpelier, VT 05620-2701  
TEL: 802-828-2358



TTY/TDD (VT: 800-253-0191)  
FAX: 802-828-3351  
E-mail: [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov)  
Internet: <http://puc.vermont.gov>

**State of Vermont  
Public Utility Commission**

**MEMORANDUM**

To: Will McNamara, Sandia National Laboratories

From: Dominic Gatti, Clean Energy Innovator Fellow, Mary Jo Krowleski, Utilities Analyst, <sup>MSJK</sup>  
John Cotter, Deputy General Counsel <sup>JC</sup>

Re: Vermont Public Utility Commission creation of energy storage systems rule

Date: July 24, 2023

---

This memorandum is intended to provide you with additional context as we move forward in developing a Public Utility Commission (“Commission”) rule for energy storage facilities. It includes the relevant language from the statutes authorizing the Commission to adopt a storage rule, which also gives guidance on what a rule should address, and provides you with some background on our efforts to date.

Statutory Authorization

The authority for the Commission to adopt a rule governing the installation and operation of energy storage facilities is found at 30 V.S.A. § 8011. It states:

§ 8011. Energy storage facilities

- (a) The Commission may adopt and implement rules that govern the installation and operation of energy storage facilities of all sizes.
- (b) The rules may establish a size threshold below which storage facilities need not submit an application for a certificate of public good pursuant to section 248 of this title.
- (c) The rules may include provisions that govern:
  - (1) the respective duties of retail electricity providers and energy storage facility owners or operators;
  - (2) the electrical and fire safety, power quality, interconnection, metering, and decommissioning of energy storage facilities;

- (3) the resolution of disputes between energy storage facility owners, operators, and the interconnecting provider;
  - (4) energy storage aggregators and the operation of aggregations; and
  - (5) energy storage facilities paired with other resources, such as net metering and standard offer plants, including retrofits of existing plants.
- (d) The rules shall establish standards and procedures governing application for and issuance or revocation of a certificate of public good for certain energy storage facilities under the provisions of section 248 of this title. In establishing these standards and procedures, the rules may:
- (1) waive the requirements of section 248 of this title that are not applicable to energy storage facilities, including criteria that are generally applicable to public service companies as defined in this title;
  - (2) modify notice and hearing requirements of this title as the Commission considers appropriate; and
  - (3) seek to simplify the application and review process.

There is related language that was added to 30 V.S.A. § 248, the statute that governs the review and approval process for siting generation, transmission, and storage facilities, that states:

(u) For an energy storage facility, a certificate under this section shall only be required for a stationary facility exporting to the grid that has a capacity of 100 kW or greater, unless the Commission establishes a larger threshold by rule. The Commission shall establish a simplified application process for energy storage facilities subject to this section with a capacity of up to 1 MW, unless it establishes a larger threshold by rule. For facilities eligible for this simplified application process, a certificate of public good will be issued by the Commission by the forty-sixth day following filing of a complete application, unless a substantive objection is timely filed with the Commission or the Commission itself raises an issue. The Commission may require facilities eligible for the simplified application process to include a letter from the interconnecting utility indicating the absence or resolution of interconnection issues as part of the application.

### Background

On September 17, 2021, the Commission opened a proceeding to develop both a rule as described in § 8011 and the simplified process required by § 248(u). That proceeding was assigned Case Number 21-3883-RULE. So far, we have issued several requests for comments from the participants in the case, of which there are approximately 27, and conducted two workshops to discuss a possible rule. While some comments discussed a variety of topics such as aggregation, fire and other safety codes, and the relationships between distribution utilities and storage owners/operators, most of the comments focused on how to review proposals to site and construct different types of facilities. Those comments tended to separate proposed facilities based on size and location and attempted to create a simpler process for projects that would

presumably have lesser impacts under our siting criteria. For example, a smaller battery project located inside an existing structure was presumed to have lesser potential for impacts than a project that is located on a new site that would require the development of supporting infrastructure.

Based on those comments, our team had been focusing on developing the simplified application process mandated by § 248(u). However, while that subsection directs the Commission to develop the process, it does not expressly give us the authority to take any specific steps needed to do so. For example, it does not expressly authorize the Commission to waive application of any of the normally applicable siting criteria found in § 248. The source of that authority appears in § 8011(d) and appears to be limited to the development of the actual rule. As a result, we have determined that the simplified process required by § 248(u) must be implemented as part of the rulemaking we are undertaking pursuant to § 8011, and not as a standalone item.

All of the documents that have been filed with or issued by us can be found in our electronic filing system, ePUC, under Case No. 21-3883-RULE. You can access the case webpage here: <https://epuc.vermont.gov/?q=node/64/163053>. Clicking on the “People” tab will show you the list of persons and entities that have been participating to date. Clicking on the “Commission-Issued Documents” tab will open a list of documents that the Commission has issued since the case began. You can open each document by clicking on the square icon all the way to the right of each document. Clicking on the “All Other Documents” tab will open a list of all the comments that have been filed with us to date. Again, each document can be opened by clicking on the square icon all the way to the right of each document.

We hope that this information proves helpful to you in developing your proposed workshop series. Once we receive your proposal, we will work with you to schedule the series of workshops/webinars for presentation to all the participants in this case.

**From:** [Anderson, Holly](#)  
**To:** [McNamara, Joseph William](#)  
**Subject:** Vermont Public Utility Commission re: creation of energy storage systems rule  
**Date:** Monday, July 24, 2023 6:52:00 PM  
**Attachments:** [21-3883 -RULE memo to Sandia Labs initial meeting recap FINAL.pdf](#)

---

Hello Mr. McNamara,

Please see the attached Memorandum which provides additional context as we move forward in developing a Public Utility Commission rule for energy storage facilities.

Thank you,

Holly R. Anderson (she/her)  
Clerk of the Vermont Public Utility Commission  
ePUCSystem Administrator

Vermont Public Utility Commission  
112 State Street, 4<sup>th</sup> Floor  
Montpelier, VT 05620-2701  
802-828-2358  
[PUC.Clerk@vermont.gov](mailto:PUC.Clerk@vermont.gov)  
[holly.anderson@vermont.gov](mailto:holly.anderson@vermont.gov)  
[PUC.ePUCAdmin@vermont.gov](mailto:PUC.ePUCAdmin@vermont.gov)

**\*\* The Vermont Public Utility Commission does not provide legal advice to persons that may appear before us. This email is not legal advice. The content of this email is intended for general information purposes only. Any information provided is only general information and should not be interpreted as applying to any specific situation. Further, any such general information is based on the Commission's current interpretation of its statutes, rules, and orders, all of which could be changed at any time. Do not consider email or phone contact with the Clerk's Office or other Commission staff as a substitute for obtaining legal advice from a qualified attorney, and do not act or refrain from acting based on the information contained in this email.**