

Karyn E. Polito Lt. Governor

COMMONWEALTH OF MASSACHUSETTS EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS **DEPARTMENT OF ENERGY RESOURCES** 100 CAMBRIDGE ST., SUITE 1020 BOSTON, MA 02114 Telephone: 617-626-7300 Facsimile: 617-727-0030

Kathleen A. Theoharides Secretary

> Judith F. Judson Commissioner

August 2, 2019

Mark D. Marini, Secretary Department of Public Utilities One South Station, 5th Floor Boston, MA 02110

Re: Inquiry by the Department of Public Utilities on its own Motion into Distributed Generation Interconnection, D.P.U. 19-55

Dear Secretary Marini:

On May 22, 2019, the Department of Public Utilities ("Department") opened an inquiry on its own motion into Distributed Generation Interconnection.¹ On July 18, 2019 the Department held a technical conference introducing the overall purpose of the inquiry and establishing a collaborative process expected to address the initial topics of Affected System Operator ("ASO") studies and energy storage interconnection studies. At the technical conference, the Department established a deadline of August 2, 2019 for stakeholders to submit comments on the current National Grid ASO Study. The Department of Energy Resources ("DOER") looks forward to participating in the collaboration to identify proposed revisions to the Distributed Generation ("DG") Interconnection Tariff concerning ASO studies.

I. INTRODUCTION

DOER appreciates the Department's recognition of the priority of interconnection issues. DOER shares the Department's goal of ensuring an efficient and effective interconnection process that will foster continued growth of distributed generation while maintaining the safety and reliability of the electric power system.

¹ Vote and Order Opening Inquiry, Inquiry by the Department of Public Utilities on its Own Motion into Distributed Generation Interconnection, DPU 19-55. May 29, 2019.

A functional interconnection process is critical to the success the Commonwealth's clean energy policies and programs. Interconnection delays have prevented SMART qualified projects from becoming operational. Resolving the causes of interconnection delays is a priority for DOER. Such resolution is important to ensure the success of the participation of solar facilities, including those paired with storage, in the SMART program over the near and long term. It will also help ensure the successful interconnection of facilities seeking to participate in the DOER's anticipated clean peak program.

II. RECOMMENDATIONS

In its recommendations, DOER supports expedited resolution of interconnection delays associated with the ASO through adoption of the following measures: (1) improved stakeholder communication by National Grid; (2) resolution of the causes of interconnection issues for mechanically complete projects as quickly as possible, and adoption of a clear timeline and plan for expeditiously resolving the interconnection issues for the remaining projects with ISAs beyond the November 2019 study conclusion date as soon as practicable; and (3) removal of non-exporting interconnection applications from the ASO study. DOER also offers additional interconnection-related solutions (4) and (5) that may require a medium to longer term implementation: efficiently evaluate interconnection requests for solar and storage in its interconnection studies; and consideration and use of storage as a non-wires alternative to distribution and transmission system upgrades necessitated by interconnection requests when it's a cost effective and expedited solution.

First, DOER agrees with the Department's identification of communication with stakeholders as a critical element of National Grid's responsibilities during the current ASO study process. Communications should include required upgrades identified, costs of said upgrades, anticipated timelines associated with upgrades, and any schedule milestones or risks associated with upgrades. DOER appreciates that National Grid has provided a website to provide general information and updates related to the ongoing study process and supports the Company's continued efforts to keep the page updated with as much information as can be provided. In addition to the website, timely and direct communications with affected project developers may help prevent future challenges with ASO study processes.

Second, with respect to the ASO-related interconnection delays, National Grid should resolve the causes of interconnection delays for those projects that are mechanically complete as quickly as possible, and without further delay. Those mechanically complete projects already built with installed distribution system upgrades should receive priority. National Grid should also resolve the causes of interconnection delays for any other projects with signed Interconnection Agreements (ISAs) on an expedited basis. Mechanically complete projects and projects with ISAs have made substantial financial commitments and are most readily deployable to provide the Commonwealth with renewable energy, but, due to delays associated with the ASO do not have access to needed revenue, and some may be in jeopardy as a result.

DOER recognizes that, in its opening statement at the technical conference, National Grid indicated that the Company is attempting to remove projects from the ASO study which have a signed ISA, have paid for the system upgrades, and are mechanically complete. National Grid also indicated its intent to potentially remove projects based upon their anticipated development progress, and that the

Phase I ASO study would be complete for projects with ISAs in November of 2019. For the reasons noted above, DOER supports this effort and would recommend that the Company commit to resolving interconnection issues for all mechanically complete projects as quickly as possible. DOER also requests that the Company adopt a clear timeline and plan for expeditiously resolving the interconnection issues for the remaining projects with ISAs beyond the November 2019 study conclusion date as soon as practicable. The Department could explore directing the Company to take these measures if the Company does not agree to do so on its own.

Third, National Grid should resolve interconnection delays for non-exporting projects by excluding them from the ASO. Based upon the conversation at the Technical Conference, it is DOER's understanding that non-exporting projects may be included in ASO studies. DOER policy objectives seek to encourage deployment of assets that are behind the meter and sized to load. Forwarding retail electric customer interconnection requests to the ISO-NE, when the system is not designed to export to the distribution system, would act as a barrier to deployment of such systems by introducing unnecessary cost and timeline risk. If EDCs must notify the ISO-NE of non-exporting distribution served customers, such notification should be separate from the ASO process and should be for informational purposes only. Such notice should avoid triggering any ISO-NE process which may impact the interconnection schedule.

Fourth, National Grid should consider whether it's feasible to more efficiently evaluate interconnection requests for solar and storage in its interconnection studies. Many solar projects in SMART that are proposing pairing of energy storage currently have separate interconnection requests for the solar and the energy storage components of the project. If many SMART projects have signed ISA's for their solar and are Pre-ISA for their storage, it may result in larger than otherwise necessary upgrades, as the energy storage will not be considered as a mitigating factor. As such, National Grid should consider adopting a process by which SMART projects with separate solar and storage interconnection requests can be bundled together.

Fifth, National Grid should consider and use storage as a non-wires alternative to distribution and transmission system upgrades necessitated by interconnection requests when cost-effective and when it will result in a quicker alternative to such distribution or transmission system upgrades.² Storage could potentially be deployed to enable the continued deployment of distributed generation as an alternative to replacing and rebuilding substantial sections of the transmission and distribution system. Further, using storage in this manner will result in a more flexible grid that is better suited to adapt to the anticipated changing load patterns associated with electrification, and the integration of distributed generation on the grid.

² DOER identified the benefits energy storage can provide to enabling continued deployment of distributed generation in its *State of Charge Study*. (https://www.mass.gov/files/2017-07/state-of-charge-report.pdf) For example, Eversource has two approved energy storage projects which identify promoting the construction of distributed solar generation as a benefit: *See* <u>https://www.eversource.com/content/general/about/projects-infrastructure/projects/martha%27s-vineyard-energy-storage-project</u>

Thank you for the opportunity to participate in this important process.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES

By its attorney:

<u>s/Ben Dobbs</u>

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