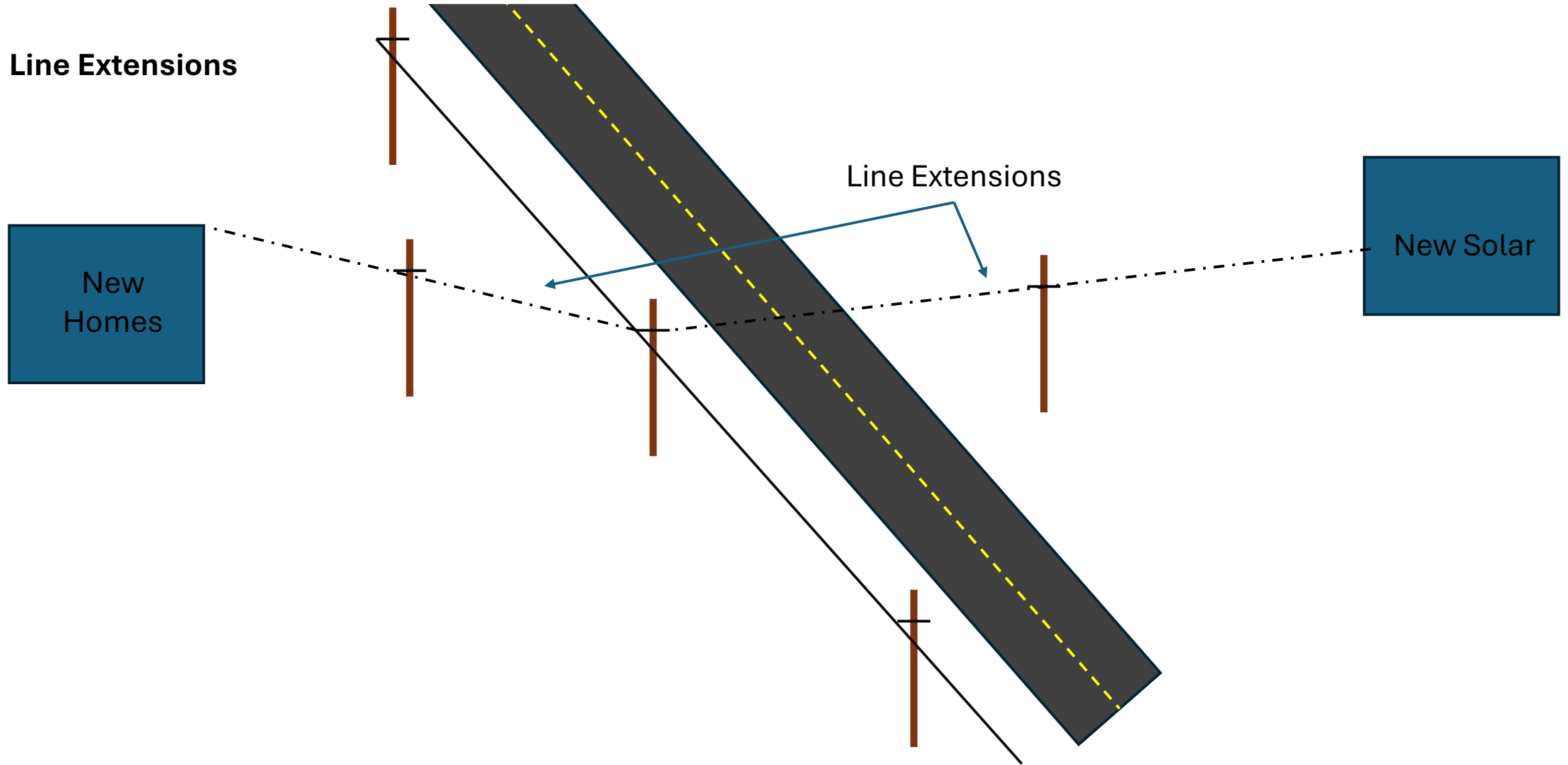


Addressing the Agency of Natural Resources'
Unequal Process for the Environmental Review
of Distribution Upgrades

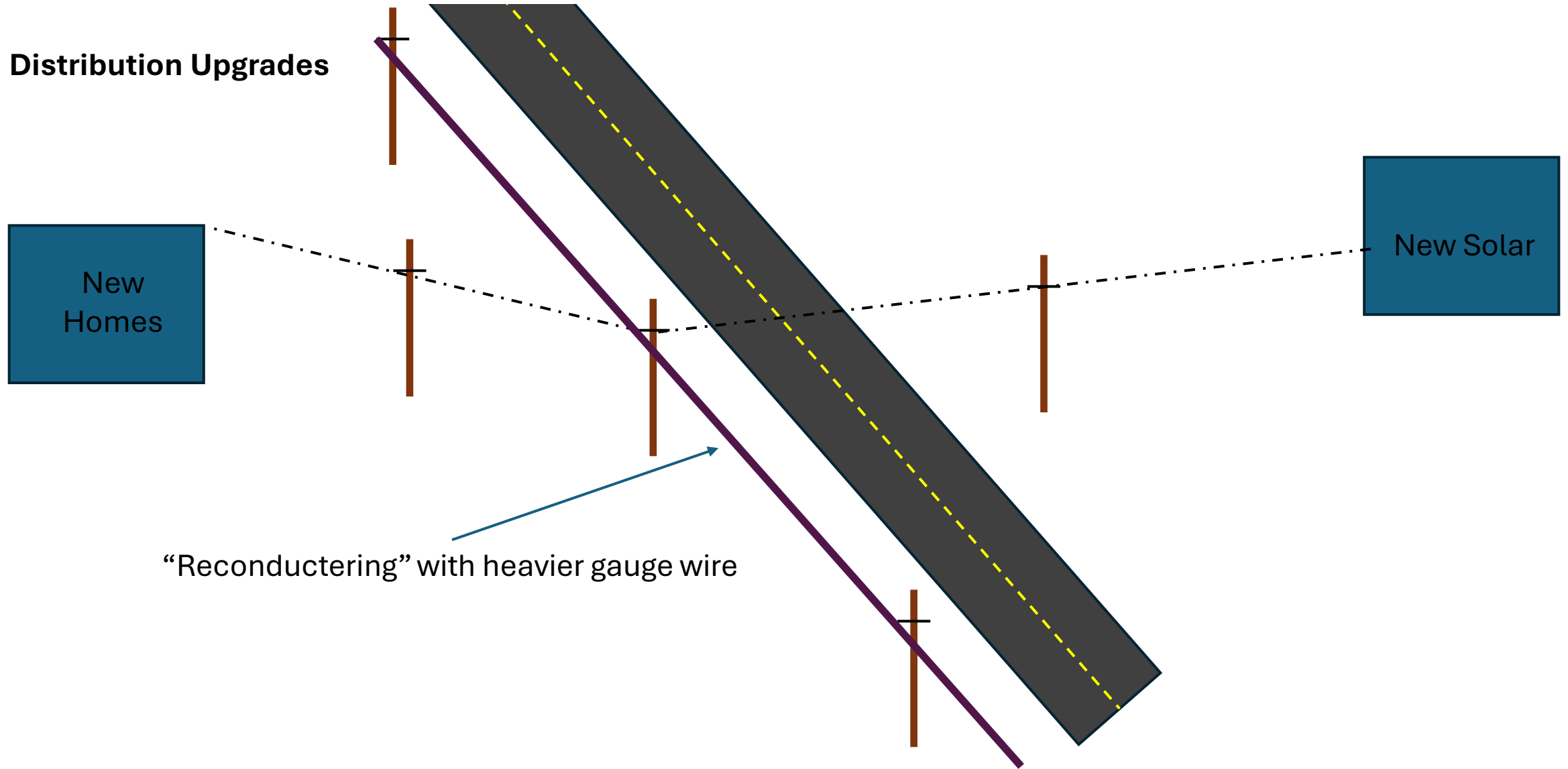
New Developments Of All Kinds Require Changes to The Distribution Grid

Line Extensions



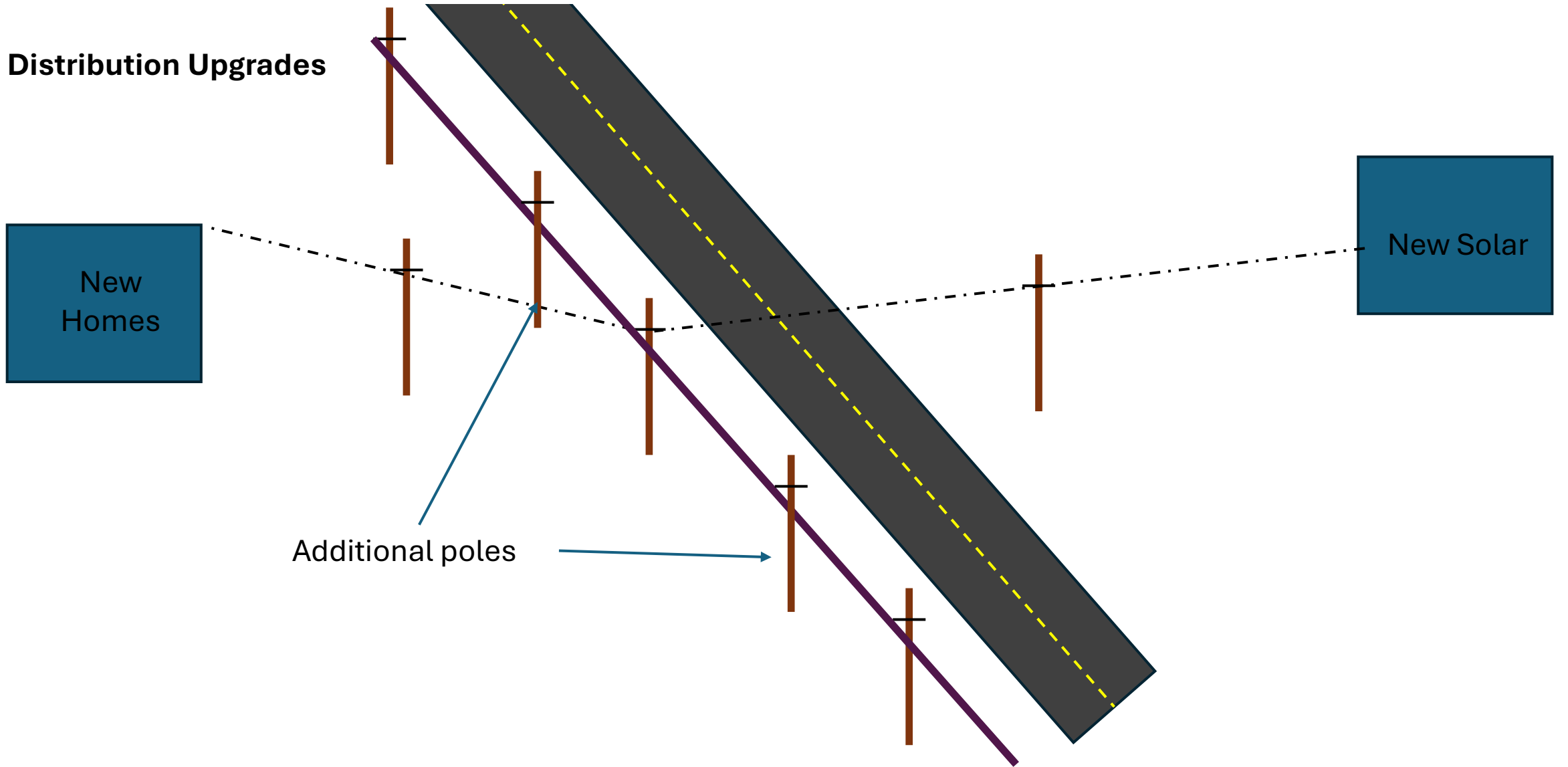
Any development that *uses* or *produces* power requires a line extension to connect to existing powerlines.

New Developments Of All Kinds Require Changes to The Distribution Grid



Developments that *use or produce* significant amounts of power may require **upgrades** to existing lines to safely and reliably move larger amounts of power

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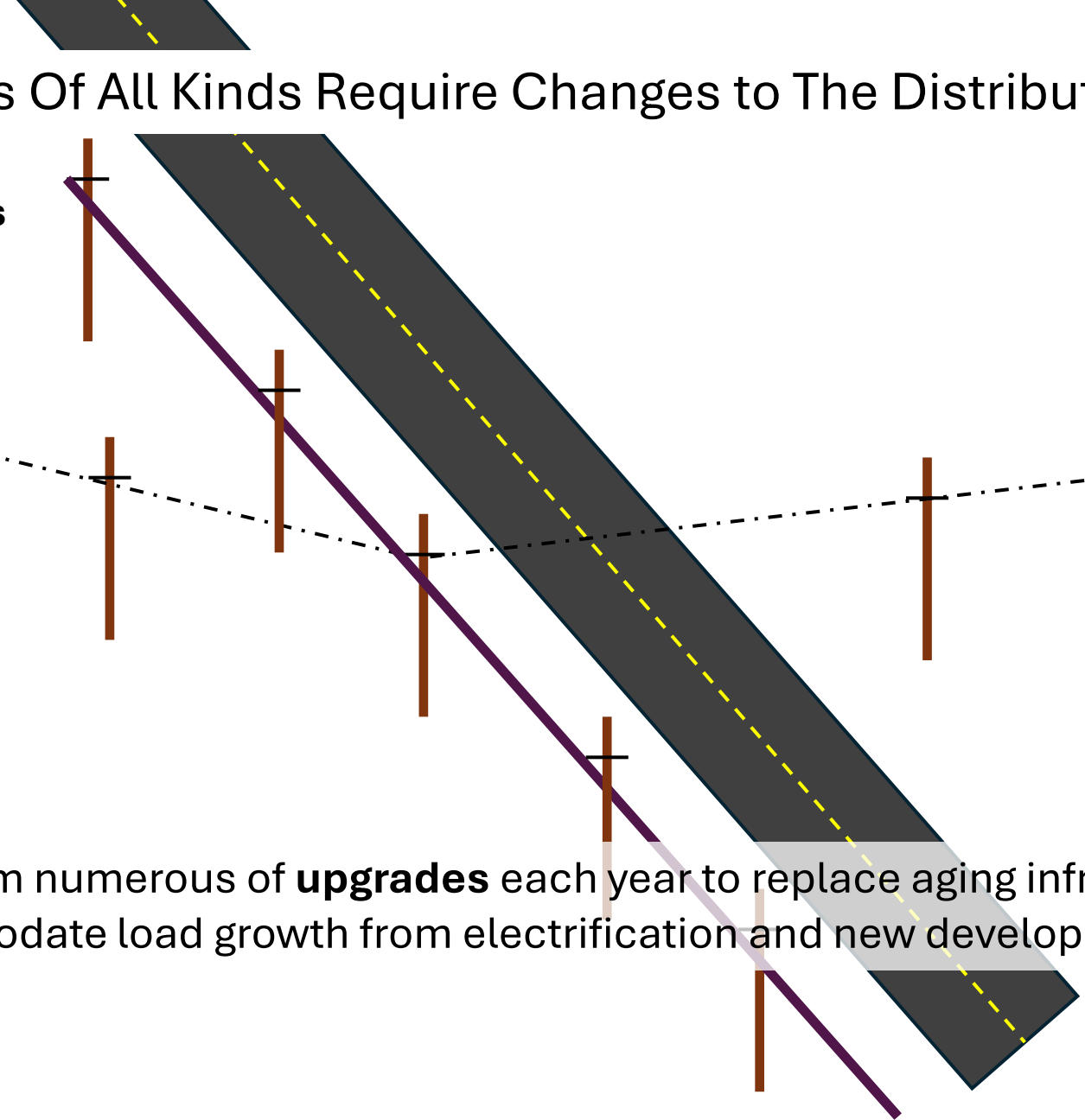
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Distribution Upgrades

New Homes

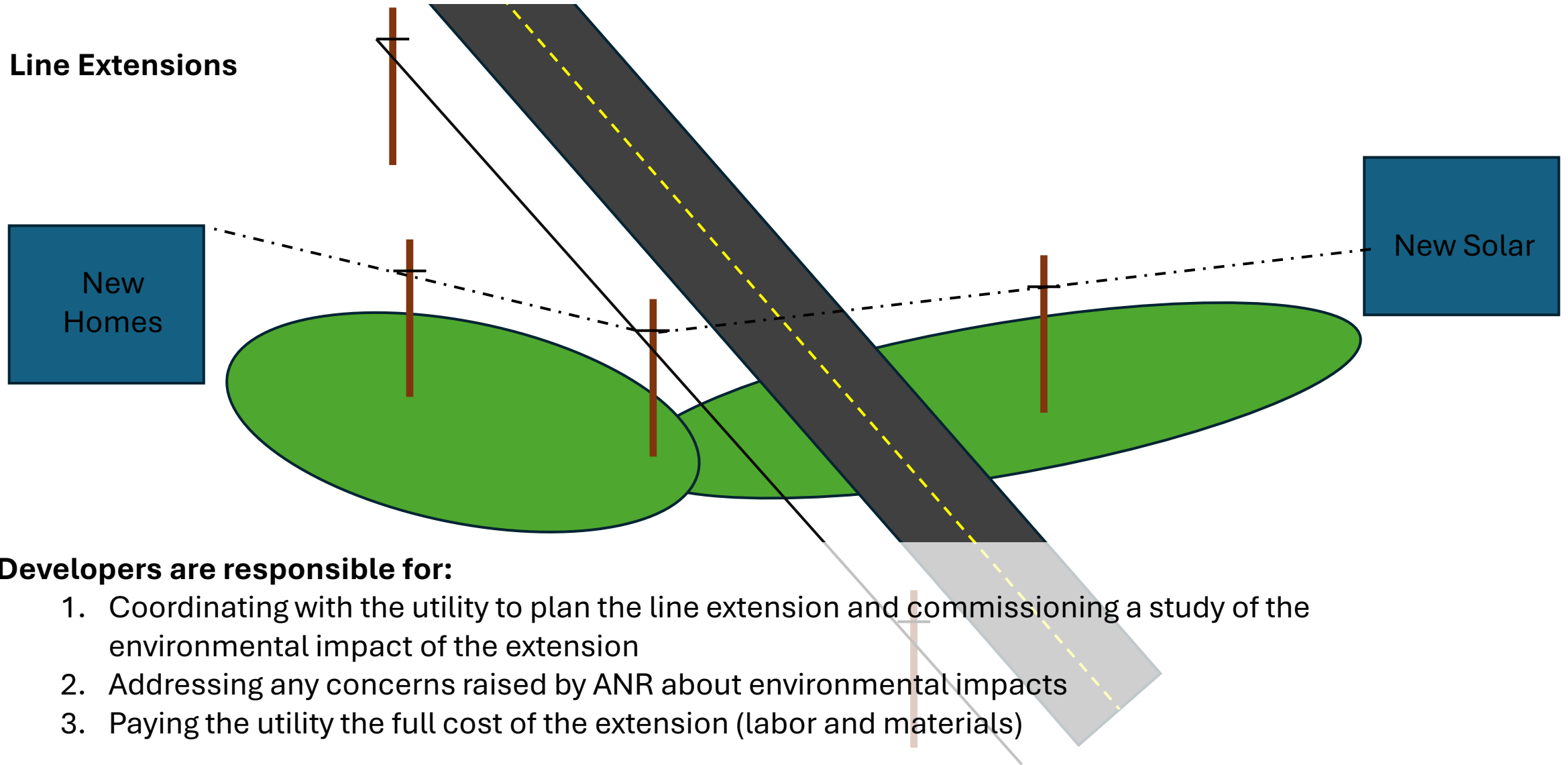
New Solar

Vermont utilities perform numerous of **upgrades** each year to replace aging infrastructure, increase reliability, and accommodate load growth from electrification and new developments.



Act 250 and Section 248 projects are treated similarly for **line extensions**

Line Extensions



Developers are responsible for:

1. Coordinating with the utility to plan the line extension and commissioning a study of the environmental impact of the extension
2. Addressing any concerns raised by ANR about environmental impacts
3. Paying the utility the full cost of the extension (labor and materials)

But increasingly, these projects are being treated differently for **distribution upgrades**

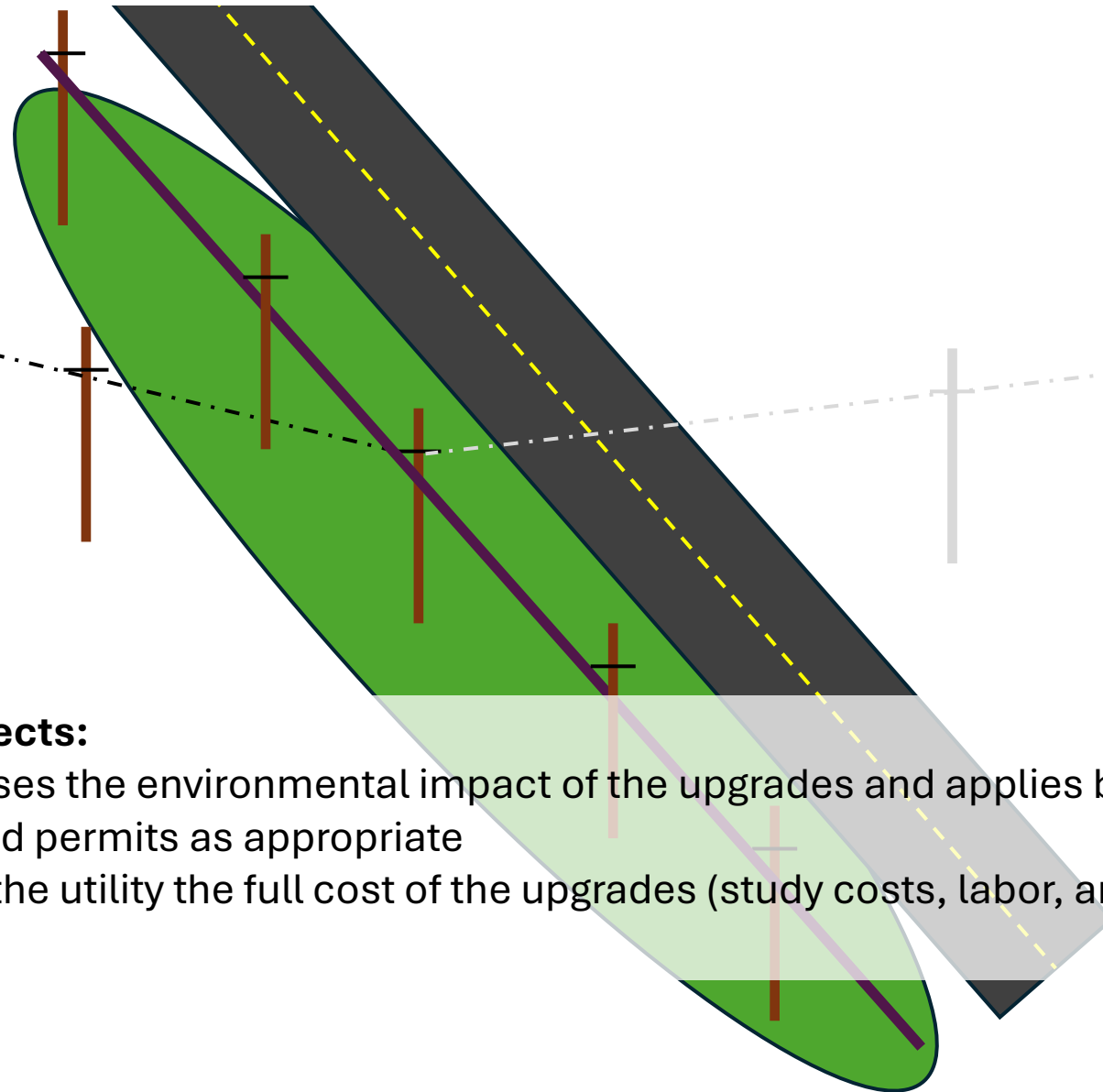
Distribution Upgrades

New Homes

New Solar

Process for Act 250 Projects:

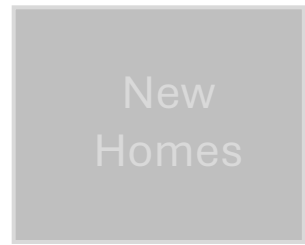
1. **The utility** assesses the environmental impact of the upgrades and applies best management practices/required permits as appropriate
2. **Developers** pay the utility the full cost of the upgrades (study costs, labor, and materials)



But increasingly, these projects are being treated differently for **distribution upgrades**

Distribution Upgrades

Recently ANR has changed the requirements for **some** Section 248 projects.



Process for *select* Section 248 projects:

1. **Developers** must assess the environmental impact of the upgrades prior to the completion of permitting
2. **The utility** plans and executes the line upgrades after permitting is complete
3. **Developers** pay the utility the full cost of the upgrades (study costs, labor, and materials) and are responsible for any deviation from the environmental impact assessment

Problems in ANR's new procedure for **distribution upgrades** for Section 248 projects

ANR's new requirements introduce three major problems

1. Lack of Legal Access to the Land that Must Be Assessed

- Project developers do not own, lease, or have a right to access the land under existing distribution infrastructure. If the landowner for this property refuses access to it, conducting an environmental assessment becomes impossible.

2. Sequencing

- Because ANR's new procedure requires the environmental assessment to be conducted prior to the completion of permitting, it increases the burden on utility staff time and the risk for developers since time-consuming distribution upgrade studies must be completed for projects that may never be successfully permitted

3. Legal Murkiness

- Because ANR's new procedure places conditions on the permit of the developer for work done by the utility, it creates a legal obligation for the developer for actions that the developer cannot control

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Solutions

Legislation that makes it explicit that the environmental review for distribution upgrades for Section 248 projects should be the same as for other types of development would:

1. Reestablish parity between Act 250 and Section 248 projects

- Renewable energy development will face the same scrutiny as other forms of development rather than experiencing added hurdles

2. Return to historical practices

- While ANR cites an early Cow Power case as the precedent for these requirements, it has not been, and is not now, standard procedure for Section 248 projects

3. Leave the financial responsibility of developers *unchanged*

- Developers remain responsible for the full cost of the distribution upgrades performed by the utilities including all planning, study, materials, and labor costs

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