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**State of Vermont
Public Utility Commission**

July 7, 2017

Cal Lankton
Vice President of Energy Sales & Operations
Tesla, Inc.
3500 Deer Creek Road
Palo Alto, CA 94304
clankton@tesla.com

Dear Mr. Lankton:

Thank you for your July 5 letter responding to my June 16 letter regarding SolarCity's operations in Vermont. We appreciate Tesla, Inc.'s ("Tesla") efforts to address the situation in which many of SolarCity's net-metering registration forms were not filed with the Vermont Public Utility Commission ("Commission")¹ but instead were only filed with the interconnecting utility.²

There are important public policy reasons underlying the legal requirement that registration forms and other requests for certificates of public good be filed with the Commission. For example, it is vital for the State to have accurate information regarding the capacity of renewable energy projects so policymakers can assess the State's progress toward its renewable energy goals. In addition, the number and capacity of net-metering systems receiving certificates of public good in the last two years is one of the factors the Commission will consider in the biennial update proceedings described in Section 5.128 of Commission Rule 5.100 (the rule that governs Vermont's net-metering program). Furthermore, as I mentioned in my June 16 letter, the Commission's procedural requirements enable applications to be adequately reviewed to ensure that new net-metering systems do not adversely affect the operation of the grid.

On July 3, 2017, the Commission received paper copies of 164 net-metering registration forms from Tesla, along with a cover letter stating that these forms had not previously been mailed to the Commission.

¹ Effective July 1, 2017, the Vermont Public Service Board's name changed to the Vermont Public Utility Commission.

² Your July 5 letter states that the applications had been submitted electronically; however, the Commission never received electronic versions of these applications.

Commission staff have reviewed the 164 registration forms for completeness.

- 16 of the registration forms were submitted using the current version of the registration form. These forms are considered filed with the Commission on July 3, 2017, which is the date the Commission received them.³
- 24 of the registration forms were submitted using an earlier version of the registration form whose differences from the current version are not substantive. 23 of these registration forms were complete while one did not include certain required information. Even though the 23 complete forms were not submitted using the current version of the registration form, we will consider these 23 forms to be filed with the Commission on July 3, 2017, which is the date the Commission received them. Tesla will receive a separate memorandum from Commission staff regarding the registration form that is incomplete so that the additional required information can be provided; that registration form will be considered filed with the Commission on the date on which the application is complete.
- Unfortunately, 124 of the registration forms were submitted using the 2016 version of the registration form. This old form did not collect all of the substantive information that is required by the current version of the registration form. As a result, these 124 forms are incomplete and cannot be processed.

For the 124 proposed projects that were submitted using the 2016 version of the registration form, new complete registration forms must be submitted to the Commission. These new forms can be filled out online and submitted via ePUC, the Commission's new online filing system that is available at <http://epuc.vermont.gov>, or completed and submitted in paper on the current version of the registration form, which is available on the Commission's website at <http://puc.vermont.gov/document/net-metering-registration-form-2017>.

If you file the new registration forms via ePUC, that system will provide notice of the filings to all entities required to receive copies of the forms. If you file the new registration forms with the Commission in paper, you must provide paper copies to all of the entities listed in the form's instructions. Please note that this list is different than that on the 2016 version of the form in that a copy of the registration form must now also be submitted to the Vermont Agency of Natural Resources ("ANR").

If you have any questions about how to appropriately file these registration forms, please contact the Clerk of the Commission at 802-828-2358 or puc.clerk@vermont.gov.

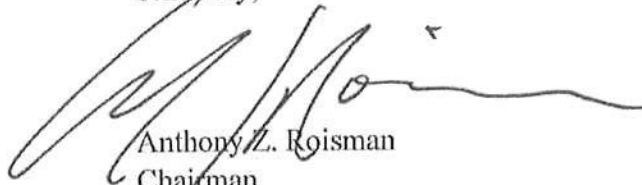
³ Commission Rule 2.204(C) states, in relevant part, that "Regardless of the method of delivery employed, filing occurs only upon receipt by the clerk or the Commission."

The Commission recognizes that Tesla has reviewed its processes and that it intends to meet the Commission's filing requirements in the future. However, Vermont's net-metering program changed significantly on January 1, 2017. A complete net-metering application that is filed with the Commission after that date is subject to the version of Commission Rule 5.100 that is in effect on the date that the application is filed with the Commission; thus, the 124 applications that were filed on July 3 using the old form will be treated as filed in 2017 once their new forms are received. As a result of these 2017 filings by Tesla, there is the potential to create confusion for the 124 customers who signed the 2016 version of the registration form and may have believed that their systems would be governed by the version of Commission Rule 5.100 that was in effect prior to January 1, 2017. Because so many customers may be affected by this situation, we have alerted the Consumer Protection Unit of the Vermont Attorney General's Office in case it is contacted by any of the affected customers.

Thank you for offering to have Tesla's regional team come to Montpelier to meet with me and my fellow commissioners regarding the process for filing future net-metering registrations in Vermont. We welcome this opportunity, with the caveat that we will not be able to discuss any specific registrations that are pending before the Commission. A member of my staff will contact you and Will Nicholas shortly to discuss possible dates for this meeting.

In the meantime, the Commission appreciates Tesla's continued efforts to resolve this situation.

Sincerely,



Anthony Z. Roisman
Chairman

cc: Will Nicholas, Tesla
Vermont Department of Public Service
Vermont Electric Distribution Utilities
Consumer Protection Unit, Vermont Attorney General's Office