



Virginia SCC Issues Order Establishing Working Groups and Rulemaking to Address DER Interconnection Issues

By: Bradley J. Nowak

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On March 3, 2023, the Virginia State Corporation Commission (the "SCC") issued an Order (the "March 3 Order") to (i) establish two working groups to consider distributed energy resources (DER) interconnection issues, (ii) perform a survey of Virginia utilities and electric cooperatives regarding DER interconnection matters, and (iii) initiate a rulemaking proceeding to further address the DER interconnection issues.

The March 3 Order was issued following comments received from several developers and other interested parties relating to various DER interconnection concerns and a SCC Staff report, dated September 19, 2022, which "recommended specific avenues for addressing these concerns, including revising the existing Interconnection Regulations[1], establishing working groups, implementing pilot studies, and utilizing existing utility administration and application processes." By its March 3 Order, the SCC is undertaking a multi-faceted approach to consider the DER interconnection concerns.

First, the SCC has directed SCC Staff to establish two working groups. The first working group is to address concerns raised pertaining to study timelines, construction timelines, and cost allocation. The second working group is to address issues specifically relating to the costs of interconnection and dark fiber and the cost of requiring dark fiber-optic cables for direct transfer trip (DTT) implementation. The SCC expects both working groups to meet initially no later than August 1, 2023, and then convene the stakeholder group on an *ad hoc* basis. SCC Staff is to update the SCC on the issues discussed in those working groups and provide any recommendations for the SCC's consideration within 30 days following each meeting.

Second, the SCC ordered SCC Staff to survey each Virginia utility and electric cooperative (each a "utility") for information relating to the following topics:

- Adoption of online DER interconnection portals, including the status of such online portals and the

information each portal would contain;

- Utilities? current development of new, or plans to expand existing, hosting capacity maps and the anticipated costs of such projects (if known);
- Whether any utility objects to the monthly publication of the queue information online;
- Whether any utility objects to making the report information publicly available online;
- Which utilities currently publish a Guide for Interconnection Parameters for DER, the information contained in such guide, and how long it would take any utilities that do not have such a guide to develop and publish one; and
- Input concerning the adoption of appropriate, risk-based levels of cybersecurity and data management protocols that may aid in grid security without creating overly burdensome requirements for developers.

The SCC directed SCC Staff to file its summary of the survey responses on or before August 1, 2023.

Lastly, the SCC found that several issues raised by commenters should be addressed through a rulemaking process that examines certain potential changes to the Interconnection Regulations. Therefore, the SCC will initiate a rulemaking proceeding (in a separate docket) that examines (at a minimum) whether amendments to the Interconnection Regulations are needed regarding the following topics:

- Material Modification Language;
- Dispute Resolution Language;
- Insurance Requirements for Level 1 Interconnections;
- Cybersecurity;
- DER Definition; and
- DER Performance Standards.

A copy of the March 3 Order is available [here](#).

For any questions concerning the March 3 Order or DER interconnection matters, please contact Brad Nowak, co-chair of Williams Mullen's Energy Practice Group.

[1] Regulations Governing Interconnection of Small Electrical Generators and Storage (20 VAC 5-314-10 *et seq.*).

Related People

- Bradley J. Nowak ? 202.293.8143 ? bnowak@williamsmullen.com

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