



July 30, 2019

KENNETH L. MICKENS, ESQUIRE LLC
LEGAL CONSULTING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Approval of
Tariff Modifications and Waivers of Regulations Necessary to
Implement its Distributed Energy Resources Management Plan
Docket No. P-2019-3010128
Comments of Sustainable Energy Fund**

Dear Secretary Chiavetta:

Enclosed please find the Comments of Sustainable Energy Fund for filing in the above-referenced proceeding. Please contact me if you have any questions concerning this matter.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth L. Mickens".

Kenneth L. Mickens, Esq.

Attorney for Sustainable Energy Fund

KLM/bis

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities :
Corporation for Approval of Tariff : Docket No. P-2019-3010128
Modifications and Waivers of Regulations :
Necessary to Implement its Distributed :
Energy Resources Management Plan :

**COMMENTS OF
SUSTAINABLE ENERGY FUND**

The PP&L Sustainable Energy Fund dba Sustainable Energy Fund (“SEF”), hereby submits the following Comments in response to the Petition of PPL Electric Utilities Corporation for Approval of Tariff Modifications and Waivers of Regulations Necessary to Implement its Distributed Energy Resources Management Plan (“Petition”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 24, 2019.

SEF hereby submits these Comments to the Petition of PPL Electric Utilities Corporation (“PPL” or “PPL Electric”) for Approval of Tariff Modifications and Waivers of Regulations Necessary to Implement its Distributed Energy Resources (“DER”) Management Plan and respectfully requests the Commission deny this petition on the grounds that it is unjust and unreasonable. In the alternative, at minimum, SEF requests that the Commission suspend the proposed tariff and assign the proposal to an Administrative Law Judge for a complete development of a record to better inform the ratepayers and the Commission of the implications of PPL Electric’s proposed tariff. SEF stands ready to expend resources to engage the appropriate experts, both legal and technical to develop a complete record and fully inform the Commission of the implications of this proposed tariff.

I. INTRODUCTION

PPL has proposed significant changes to the DER environment that could negatively impact participation in DER markets by PPL Electric ratepayers. It is Orwellian to think that PPL Electric would be granted access and the ability to control DERs at its discretion. Further, the inverter and DER technical standards upon which PPL Electric is basing its proposal, have yet to be complete. In addition, the Petition is premature in that PPL has just over 8,000 DERs in its service territory or less than 0.6% of its 1.4 million customers with DERs. In short, PPL Electric's proposed tariff is a solution in search of a problem. Further, PPL Electric posits that the DERs have value to the local distribution system¹, yet PPL Electric offers no method to compensate DER owners for the value they deliver to the distribution system.

A. To monitor DERs, the Company already has at its disposal a much simpler method of monitoring by the installation of Smart Meters on the output of DERs at PPL Electric's expense². Also, it is unclear who is going to pay the ongoing costs of the communications envisioned in 12(C)3, which includes a potential cellular modem. The Investment Tax credit decreases from the current 30% in 2019 to 26% in 2020 to 22% in 2021 and 0% for residential and 10% for commercial customers in 2022. With the slim return on residential and small commercial solar systems, how could an owner justify a \$15 or \$30 a month cellular data connection? So, at a time when the incentives for installing solar are decreasing, PPL Electric is requiring ratepayers desiring to install solar to pay for a new smart inverter with a UL standard that is not available yet, a DER management device and communications technology. There is already a social equity issue

¹ PPL Electric Petition, p. 10.

² See, PPL Electric Petition, p. 15.

with low-income solar; these additional costs will only serve to exasperate this inequity. These factors combined will have a chilling impact on the DER installations in the PPL Electric territory at a time when ratepayers should be encouraged to install DERs.

B. In its proposed tariff, PPL Electric states, the Purpose of the tariff is to "... monitor and manage the flow of electricity from DER resources to the distribution system."³ They also include energy storage resources (batteries) in this grouping. The control of batteries is of particular concern due to their role in resiliency. For example, SEF is in the process of constructing a net-zero building in the PPL service territory, with future plans to install battery storage that would allow the building to divorce from the grid and operate when power to the facility is either curtailed or not available due to a failure of PPL Electric's distribution system or the grid at large. With PPL Electric having control of the DERs, at its discretion, it could shut down SEF's system destroying the resiliency of the building. Further, other programs like curtailment are "opt-in" programs with strict rules for when a customer may be "asked to curtail", and customers are compensated for curtailing. In section 12C. (4) of the proposed Tariff PPL Electric states:

... By installation of an approved DER system in accordance with device requirements under rule 12C (2) and 12C (3), customer and owner agree to allow PPL Electric to monitor and manage the DER system in accordance with *Company policy*...

Not PUC approved policy with input from stakeholders but "Company policy". This policy could change at any time at PPL Electric's discretion. How will prospective owners of DERs be able to evaluate the return for the installation of DERs without knowledge of this policy since it is not disclosed in either the proposed Tariff or PPL Electric's Petition? In addition, how will system

³ 12 C (4).

owners and operators manage the risk imposed by the Company's ability to change these policies at its whim? This is like the proverbial analogy of the fox guarding the hen house, since curtailing renewable output will only serve to increase PPL Electric's distribution revenue.

C. Based on PPL Electric's response to an interrogatory in its 2017 Time of Use Petition (SEF Set II questions 1-2) rate class RS customers had a capacity of 41, 840 kW. Meanwhile, PPL Electric 2018 Peak Load Contribution was more than 7 GW on August 28, 2018. Comparing nameplate capacity of residential DERs to Peak Load Contribution is not a direct apple to apple comparison, since it would require discovery to know the actual capacity delivered back to PPL Electric's distribution system, but even if residential customers completely shut down their homes and delivered 100% of system capacity to PPL Electric, it is still less than 0.6%. So, the actual capacity delivery would be significantly lower. Although in its Petition PPL Electric claims the amount of intermittent generation that can be interconnected must be limited.⁴ PPL Electric has provided no threshold or support in its Petition that the amount of current generation needs to be limited. PPL Electric states it receives between 1000 to 1500 interconnection requests per year. However, it does not specify the actual number of systems built and interconnected or the overall estimated capacity of these systems. Even taking the high forecast of 1500 new interconnection applications per year, if each application resulted in a new system that would represent only 0.1% of PPL Electric's customer base being interconnected each year. To make the 10% solar by 2030 a reality in the PA Solar Future Report, action must be taken by the state government. Based on the makeup of the current state government, this seems highly unlikely. In fact, during the last legislative session, not one bill related to DERs made it out of committee.

⁴ PPL Electric Petition, p. 19.

D. In addition, based on the 2017 Time of Use Petition, PPL Electric provided confidential and highly confidential information regarding DERs in its service territory that should now be made available to commenters since it directly impacts this Petition. Moreover, the analysis and results from the US Department of Energy funded Keystone Solar Future Project should be made available for experts to review and comment upon.

E. PPL Electric estimated energy conservation through DER enhanced Volt/Var Optimization would save ratepayers over \$200,000 per year⁵. If solar customers are to be forced by PPL Electric to participate, they should, at minimum, receive compensation for the benefits that they are providing to the grid. Even in a taking, the government must pay *just* compensation to property owners, I would posit that for taking the ancillary service output of DERs, PPL Electric should pay system owners and operators *just compensation*.

F. The tariff in section 12C. (2) sets requirements for smart inverters. In this section, PPL puts forth inverter communications testing capabilities in accordance with UL Standard 1741.⁶ UL 1741 which has yet to be implemented by Underwriter Laboratories, making this tariff premature since no ratepayer could implement a new DER system and comply with a UL standard that has yet to be implemented.

II. CONCLUSION

PPL Electric is proposing to require Smart Inverters, DER devices of the Company's choosing which can be modified or changed at the whim of the Company, unfettered control of ratepayer assets which could negatively impact ratepayer return on DER systems including

⁵ Docket No. M-2016-2578051 SEF Set II-7 Attachment 8

⁶ PPL Electric Petition, p. 16.

batteries which have a positive impact on the distribution system and grid. Consequently, there is a significant information asymmetry in this Petition since PPL Electric has not disclosed important information which would allow commenters the ability to fully analyze the negative impact of this tariff. All these factors combined can lead to only one conclusion, that this tariff is unjust and unreasonable. Based on the Petition and proposed Tariff submitted by PPL Electric, the Commission should reject this tariff. If the Commission decides to move forward, it should suspend the tariff, and at minimum, there should be ample discovery allowed before an Administrative Law Judge to reduce the information asymmetry, introduce evidence and develop a complete record on this significant change to how DERs are monitored and managed.

John M. Costlow
President
Sustainable Energy Fund