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E-File

March 1, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

Re: Proposed Implementation of Act 114 of 2020
Docket No. M-2020-3023323

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") please find PPL Electric's Comments in response to the Tentative Implementation Order entered January 14, 2021 in the above-captioned proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 1, 2021 which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,


Kimberly A. Klock

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Implementation of Act 114 of 2020 : Docket No. M-2020-3023323

**COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

I. INTRODUCTION

On November 23, 2020, Act 114 of 2020 was signed into law, which, *inter alia*, amended the Fiscal Code, 72 P.S. §§ 1 et seq. and established geographical limits on energy resources that qualify as Tier II resources under the Alternative Energy Portfolio Standards (AEPS) Act, 73 P.S. §§ 1648.1 et seq. On January 14, 2020, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Implementation Order (“Order”) providing the Commission’s proposed interpretation and implementation of Act 114. The Commission solicited comments from the public and industry stakeholders regarding the proposals set forth in the Order.

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) supports the Commission’s efforts to identify and address issues relating to the implementation of Act 114. PPL Electric is a public utility and electric distribution company (“EDC”) as defined in Sections 102 and 2803 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 102, 2803. PPL Electric furnishes electric distribution, transmission, and default supply services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of 29 counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

PPL Electric is participating in this proceeding for two purposes: (1) to provide comments on the treatment of existing out-of-state Tier II alternative energy credits (“AECs”) due to the Company’s active obligations for Pennsylvania Alternative Energy Portfolio Standard (“PA AEPS”) AECs in conjunction with its default service energy plan; and (2) to provide comments on the Commission’s proposed interpretation of the implementation of net metering and virtual net metering for the Department of Military and Veterans Affairs (“DMVA”). PPL Electric appreciates the opportunity to provide comments to the proposed interpretation and implementation of Act 114 and looks forward to working with the Commission and all other stakeholders to address issues associated with Act 114. In accordance with the Order, the Company submits the following comments.

II. COMMENTS

A. Implementation of Section 1728-E

Section 1728-E revises the definition of a customer-generator to include a new type of distributed generation system. Specifically, this revision states that the AEPS Act “shall include net-metered distributed generation systems owned, operated or supporting the Department of Military and Veterans Affairs on property owned or lead and operated by the Department with a nameplate capacity not to exceed the Department’s annual electric needs to support he Department’s facilities on its property.”¹

PPL Electric supports the Commission’s intent to clearly define the rules and requirements that will be applied to DMVA net metered facilities governed by the enactment of 1728-E. The Company believes it is important that these rules and requirements be clearly defined, removing any ambiguity or confusion associated with implementation. Further, the Company supports the

¹ *Proposed Implementation of Act 114 of 2020*, Docket No. M-2020-3023323 (Order entered January 14, 2021), p. 2.

Commission's intent to utilize previously established rules such as those established for virtual net metering as the foundation for defining DMVA net metering requirements.

Having reviewed the Commission's proposed rules governing how DMVA systems are sized, PPL Electric agrees with the Commission's intent to adequately and reasonably evaluate a DMVA site's usage to determine its proper sizing. In many instances, utilization of the 110% guidance seems reasonable. The 110% limitation as a design criterion seeks to create a compromise recognizing that it is difficult to pinpoint the exact size of a system at a given point in time to match a DMVA usage profile. With this in mind, PPL Electric recommends that Commission carefully consider the implications of establishing a 110% limit for systems that have no maximum size limits, such as with DMVA sites. 72 P.S. § 1728-E. Specifically, if the 110% limit is applied to a DMVA site that is in excess of 5MWs the additional 10% of generation above the site's load could be significant. For example, if the DMVA site has 60 MWs of load, the system could grow to 66 MWs in size – with a potential excess generation of 6 MWs. The potential excess generation is now substantially more than what other commercial and industrial customers could export to the grid.

Current DMVA sites may not have 60 MW usage profiles, but PPL Electric believes it is important to consider any precedent set through the application of the 110% limit; especially as distributed energy resources and their interaction with the grid continue to evolve. For this reason, PPL Electric recommends the Commission consider setting a size limit of 105% for any DMVA site that exceeds the current commercial and industrial net metering limit of 5 MWs.

B. Implementation of Section 1799.10-E

The changes being made in Section 14 of Act 114 to close Pennsylvania's borders to Tier II resources are similar to those made in Act 40, which closed Pennsylvania's borders to Tier I

solar resources. Throughout the Order, the Commission proposes to interpret the language of Act 114 consistent with the Commission’s interpretation of the same language used in Act 40 set forth in the *Implementation of Act 40 of 2017*, Docket No. M-2017-2631527 (Order entered May 3, 2018) (“Act 40 Final Implementation Order”). PPL Electric agrees with the Commission’s proposal to maintain consistent interpretations.

In furtherance of such effort, PPL Electric proposes that the Commission also implement a unique PJM-GATS² certification number for Tier II AECs approved for compliance. This should be done by adopting a certification number structure similar to the one established in the Act 40 Final Implementation Order to be implemented by the AEC Program Administrator in coordination with PJM-GATs.³

PPL Electric’s current default service plan includes full requirements contracts that obligate wholesale energy suppliers to transfer Tier II AECs in conjunction with their respective supply obligations. The Company’s contracts do not contract supply from specific facilities. Instead, they are load following contracts where it is the wholesale supplier’s obligation to acquire the requisite energy supply and ancillary service obligations, including AECs, through their own means. Without updated Tier II AEC certification numbers, PPL Electric has no way of clearly knowing if Tier II AECs transferred to it meet the terms of the amended AEPS Act. For example, a wholesale supplier may transfer Tier II AECs, originating from a source outside of the Commonwealth, to PPL Electric for compliance with its full requirements energy contracts procured through the Commission approved Default Service Plan and claim they were

² PJM-GATS means PJM Generation Attribute Tracking System. This is the system used by Load Serving Entities (LSE) and renewable energy parties, such as renewable facility owners and aggregator, to manage, track, and transfer credits. This tool is used by the Pennsylvania Public Utility Commission to accept alternative energy credits from LSEs to meet annual PA AEPS obligations.

³ *Proposed Implementation of Act 114 of 2020*, Docket No. M-2020-3023323 (Order entered January 14, 2021), p. 12.

grandfathered by the Commission. Unless there is a new, unique certification number, PPL Electric has no way of determining if that is true.

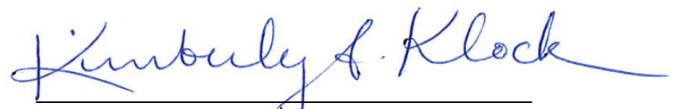
Similarly, the new certification number will identify those AECs that have been transferred to PPL Electric prior to November 23, 2020, the effective date of Section 1799.10-E, as eligible to meet the previous Tier II share requirements. This approach will also clearly identify those Tier II AECs eligible to be banked for future use.

With the inclusion of the updated certification number, the proposed interpretation and implementation of Sections 10 and 14 of Act 114 of 2020 set forth in this Order would further align with the interpretation and implementation of Act 40 – making the Tier II AEC process both consistent with prior requirements and transparent going forward.

III. CONCLUSION

PPL Electric supports the Commission’s efforts to identify and address issues relating to the implementation of Act 114. PPL Electric respectfully recommends that the Commission proceed with the implementation of Act 114 taking these Comments into consideration.

Respectfully submitted,



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