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March 11, 2022

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, for Approval of Their Default Service Programs; Docket Nos. P-2021-3030012; P-2021-3030013; P-2021-3030014; and, P-2021-3030021

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is Sunrise Energy, LLC, and John P. Bevec's Response to Objections of Joint Petitioners. As demonstrated by the attached Certificate of Service, all parties to these proceedings are being duly served via electronic mail with a copy of this filing.

Thank you for your attention to this matter.

Respectfully,


A. MICHAEL GIANANTONIO

/sjp
Attachment

cc: All counsel of record (w/attachment)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT PETITION OF	:	Docket Nos. P-2021-3030012,
METROPOLITAN EDISON COMPANY,	:	3030013, 3030014 and 3030021
PENNSYLVANIA ELECTRIC	:	
COMPANY, PENNSYLVANIA POWER	:	
COMPANY, AND WEST PENN POWER	:	
COMPANY, FOR APPROVAL OF	:	
THEIR DEFAULT SERVICE	:	
PROGRAMS	:	

**MOTION TO DISMISS OBJECTIONS OF JOINT PETITIONERS
AND TO DIRECT JOINT PETITIONERS TO
ANSWER INTERROGATORIES AND TO PRODUCE DOCUMENTS**

AND NOW, come the Intervenors, John P. Bevec and Sunrise Energy, LLC, by and through their undersigned counsel, and file the following motion to dismiss the Joint Petitioners' objections and direct them to answer the interrogatories and produce documents.

I. INTRODUCTION

The Intervenors believe that the Joint Petitioners ("JPs"), in their role as electric distribution companies ("EDCs"), are obliged to comply with all relevant obligations of the Alternative Energy Portfolio Standards Act ¹ ("AEPS Act" or the "Act"). Included in those obligations is the mandate in Section 3 of the Act which states the following:

[A]fter the cost-recovery period, any direct or indirect costs for the purchase by electric distribution [companies] of resources to comply with this section, including, but not limited to, the purchase of electricity generated from alternative energy sources, payments for alternative energy credits, cost of credits banked, payments to any third party administrators for performance under this act and costs levied by a regional transmission organization to ensure that alternative energy sources are reliable, shall be recovered on a full and current basis pursuant to an automatic energy adjustment clause under 66 Pa.C.S. § 1307 as a cost of generation supply under 66 Pa.C.S. § 2807. 73 P.S.

¹ Act of November 30, 2004, P.L. 1672, as amended, 73 P.S. §§1648.1-1648.8

§ 1648.3(a)(3)(ii) (emphasis added)

The use of the phrase “any direct or indirect” by the General Assembly makes the legislative intent clear. *Every* cost to purchase resources to comply with Section 3 of the Act must be recovered from ratepayers. Yet by everything the JPs have proposed to date, it seems they believe they are only obliged to capture the costs of Alternative Energy Credits (“AECs”), which is just one of the resource categories described in the quote above (“payments for alternative energy credits”). The JPs ignore another as well (“the purchase of electricity generated from alternative energy sources”). Most if not all of the resource categories have both direct and indirect costs.

Each of the JPs has historically captured AEPS Act expenses via the Price to Compare (“PTC”) or the Hourly Pricing (“HP”) formula. Embedded in the formulas for each of these default service rates is a component for AEPS Act expenses. The calculation of default service rates is *central* to any default service plan, as the JPs must surely agree. *As such, any interrogatories or requests for document production related to information, or that could lead to information, concerning the direct or indirect costs of resources for the AEPS Act are not only within the scope of permissible discovery and also relevant, but essential to a just outcome for ratepayers and customer-generators.*

II. ARGUMENT

Intervenors’ discovery requests are directed specifically at these direct and indirect costs.

In that regard, JPs have objected to the following Interrogatories:

24. Please provide, by JP, how many net metering and interconnection applications were received annually for the last 4 years.
25. Please provide, by JP, the number of JP personnel involved in the processing of net metering and interconnection applications per year for the last 4 years.

26. Please provide the person-hours it takes to approve or reject a net metering application. If it varies, please provide a range of time.
27. Please provide the person-hours it takes to approve or reject an interconnection application. If it varies, please provide a range.
28. Please provide, for each JP, the number of personnel available to process net metering and interconnection applications.

Interrogatory 24 is requesting information concerning the number of net metering applications received for the past four years. The JPs object to Interrogatory 24 because they claim that the question enquires into subjects that are not relevant. This objection appears to arise from the JPs overly simplified understanding of their obligations under the Act. The General Assembly was clear when it insisted that any direct or indirect costs of resources purchased for compliance with Section 3 of the AEPS Act must be recovered.

The administrative costs to process net metering and interconnection applications are, or should be, substantial. Together, the JPs' service territories comprise more than half of the state of Pennsylvania, and the proliferation of alternative energy systems must come with internal costs for the JPs' processing those applications. These costs must be recovered in order to be compliant with the Act. Administrative costs are direct (or at the very least indirect) costs of both AEC procurement and alternative energy ("AE") purchases; both AECs and AE are included in the list of resources whose costs must be recovered under the Act.

The logic is simple. If the JPs did not incur these administrative costs, neither AECs nor AE could be purchased by them; the systems that produce both AECs and AE cannot legally function until they are approved by the JPs via their application processes. Therefore, these administrative costs must be considered either direct or indirect costs of resource procurement.

Clearly, no AE system can operate under the AEPS Act until its applications for net metering and interconnection are processed and approved. Therefore, the administrative costs to process and approve those applications are certainly either direct or indirect costs of resources, pursuant to the Act.

It is worth noting that the JPs have long accounted for other administrative costs in their PTC calculations. Each of the JPs utilize a PTC formula that contains a variable called PTC_{Adm} . This variable contributes to the overall PTC, and is defined by the JPs as follows:

An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The task of accounting for and recovering the administrative costs of purchasing AEPS Act resources is no different than tracking and recovering the costs that go into PTC_{Adm} . It should not present a challenge for the JPs. More importantly, the Act compels them to do it.

Similarly, Interrogatory 25 is asking for identification of personnel who are involved in processing net metering and interconnection applications. This, too, is relevant to the PTC. Likewise, Interrogatories 26-28 are seeking a time calculation of person-hours involved in reviewing and acting on these applications. As such, this information is also relevant and discoverable. Therefore, the information requested in these Interrogatories is necessary and essential to determine if the JPs are fully compliant with the AEPS Act pursuant to its cost recovery mandate.

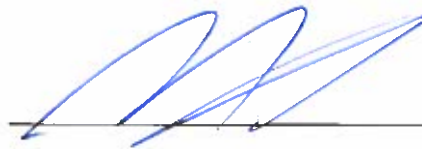
III. CONCLUSION

As Intervenors believe that this information will assist them in determining if JPs have been adequately capturing and seeking recovery for these costs and how they are being translated into the default service rate, the information that has been requested is discoverable pursuant 52

Pa. Code § 5.321(c). The information requested is certainly relevant, and JPs make no other objection that would preclude them from their duty to respond.

WHEREFORE, Intervenors, John P. Bevec and Sunrise Energy, LLC respectfully request that your Honor dismiss JPs' objections and order the production of responsive documents and full and complete substantive interrogatory answers within the time allotted by these proceedings.

Respectfully submitted,



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Date: March 11, 2022

Attorney for Sunrise Energy, LLC and John Bevec

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Dated: 3/11/22

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