

COMMONWEALTH OF PENNSYLVANIA



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August 2, 2024

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

Re: Petition of PPL Electric Utilities Corporation for Approval
of its Second Distributed Energy Resources Management Plan
P-2024-3049223

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Very truly yours,

/s/ Christy Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAappleby@paoca.org

Enclosures:

cc: The Honorable John Coogan (email only)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :
Corporation for Approval of its Second : Docket No. P-2024-3049223
Distributed Energy Resources :
Management Plan :

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 2nd day of August 2024.

SERVICE BY E-MAIL ONLY

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Date: August 2, 2024

/s/Harrison W. Breitman
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation for :
Approval of its Second Distributed Energy : Docket No. P-2024-3049223
Resources Management Plan :

PREHEARING MEMORANDUM OF
THE OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order issued by the Honorable Administrative Law Judge (ALJ) John M. Coogan on July 25, 2024, in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On May 20, 2024, PPL filed a Petition through which it seeks approval from the Pennsylvania Public Utility Commission (Commission) of its Second Distributed Energy Resources (DER) Management Plan (Plan). The Plan governs the interconnection and operation of DERs deployed in PPL's service territory. If approved, PPL's Plan would become effective on March 22, 2025, the day after PPL's First DER Management Plan's pilot program ends.

The Petition was assigned to the Office of Administrative Law Judge (OALJ) and was further assigned to ALJ Coogan for investigation and the scheduling of hearings. On June 25, 2024, the ALJ issued a Prehearing Conference Order setting August 6, 2024 as the Prehearing Conference date and establishing the parties' obligations with respect to the Prehearing Conference.

On July 2, 2024, the OCA filed an Answer in response to the Company's Petition. The OCA submits this Prehearing Memorandum in accordance with the Prehearing Conference Order in this matter.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Company's Petition, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the Petition. It is anticipated that other issues will arise and may be pursued as discovery proceeds.

The OCA has identified the following issues that may require further review:

- Pilot Program Evaluation: PPL claims that the Pilot Program demonstrated that PPL can leverage the smart inverters' grid support functions to improve safety, reliability, and resiliency, reduce interconnection costs for DER interconnection applicants (e.g., avoidance of paying for distribution system upgrades), mitigate the impact of DERs on the distribution system, and increase the distribution circuits' hosting capacity by monitoring and managing DERs in the service territory. The OCA will evaluate PPL's claims by reviewing: 1) whether PPL achieved its intended objective with the pilot; 2) the metrics PPL utilized to inform of the pilot's claimed success; 3) the challenges PPL experienced; 4) the customer and developer experience; 5) the actual and forecasted pilots costs; and 6) which aspects of PPL's second DER Plan were informed by PPL's first DER Plan. PPL is proposing to utilize block purchases in addition to Fixed Price Full Requirements (FPFR) contracts to service customers. The OCA has concerns that this proposed mix of block purchases and FPFR contracts may result in excessive load fluctuation or volumetric risk for the FPFR suppliers and may not result in the least cost over time. The OCA will examine this mix of block products and FPFR contracts to ensure that the mix is prudent and will lead to least cost over time.
- Cost-Effectiveness: PPL states that it has seen cost-effective benefits from monitoring and actively managing DERs. PPL notes that, based on the data gathered through Program Year 2, PPL Electric's Pilot Program has reduced the Company's operation and maintenance expenses by approximately \$15.33 million and the Company's

capital expenditures by approximately \$6.60 million. PPL states that the Pilot Programs costs have included \$128,000 of operation and maintenance expenses and \$6.38 million of capital costs as of the end of Program Year 2, and further claims that the Pilot Program has produced substantial benefits when compared to its costs. The OCA will analyze PPL's claims to ensure that consumers received substantial benefits compared to costs and any impacts of discontinuance or modification of the pilot program.

- PPL Technical Claims: PPL notes that the Second DER Management Plan builds upon the requirements and purposes of IEEE 1547-2018 and UL 1741 SB. The OCA will evaluate PPL's technical claims to determine whether PPL's proposals are reasonable.
- PPL's Proposed Tariff Modifications: As part of its filing, PPL included a pro forma tariff supplement modifying Rule 12 of PPL's tariff, which sets forth requirements related to its Plan. The modified Rule 12 provides customer application details and technical DER equipment standards under the Second DER Management Plan. Once more information is received by the OCA through discovery, the OCA will analyze PPL's proposed tariff modifications to assess whether PPL's proposed tariff modifications are reasonable.
- Compliance with Commission Regulations: PPL also requests approval pursuant to Section 75.13(k) of the Commission's regulations. The OCA will investigate whether PPL is in compliance with the Commission's regulations, other applicable law, and Commission orders.
- The Necessity of the Plan: PPL claims that denial of their Petition would adversely affect PPL, PPL's distribution system, PPL's customers, and the Commonwealth. Petition ¶¶ 102-112. The OCA will examine PPL's claims by evaluating PPL's current DER, along with PPL's proposed DER. Moreover, more specificity is needed regarding PPL's Plan in order to appropriately evaluate PPL's proposed DER. Among the issues that the OCA will evaluate: 1) the Plan's objectives and how each objective is measured; 2) whether PPL has demonstrated that permanently permitting monitoring and control of all DERs is just and reasonable; 3) how costs are allocated

and what costs are DERs paying compared to PPL's distribution ratepayers; 4) whether PPL has demonstrated that retroactively installing DER management devices is reasonable; and 5) whether PPL's objectives are reasonable and appropriate.

- The Claimed Benefits of the Plan: In July 2019, PPL upgraded its Distribution Management System and developed a Distribution Energy Resource Management System (DERMS) to gather DER data, provide DER system forecast capabilities, and provide DER management capabilities. The OCA will evaluate how DERMS impacts PPL's investments in communication networks, the other functionalities of DERMS and any accompanying investments, and how DERMS impacts PPL's future investments generally. The OCA will also seek clarification on which alternatives PPL has analyzed.
- Consumer Protections: The Company cites numerous benefits that will result from the adoption of smart inverters. Such benefits include the ability to safely and reliably interconnect more DERs without additional upgrades to the electric distribution grid, to remotely curtail a DER in the event of an emergency, and to improve the power quality at customer sites through autonomous voltage regulation. See e.g., Petition ¶¶ 36-43, 102-112. This suggests, however, that operational performance of a DER will be affected in certain circumstances. Accordingly, it is critical that consumer protections are adopted to keep consumers informed and prevent unnecessary interruptions of the DER. At a general level, the OCA submits that there are three broad areas of protection that must be considered. First, utilities must ensure that customers are appropriately informed of how the Company intends to operate these smart inverters. The second area of protection is consumer privacy. The last area of consumer protection is limitations on when and how the Company can intervene. PPL's Petition, however, does not address any of these important consumer protection concerns.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witness. The OCA's witness will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be e-mailed directly to the OCA's witness at the addresses below, as well as e-mailing a copy to counsel for the OCA.

Mr. Ron Nelson
Current Energy Group
E-mail: rnelson@currentenergy.group

The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, the OCA will promptly notify the ALJs and all parties of record.

IV. SERVICE ON OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Christy M. Appleby and Assistant Consumer Advocate Harrison W. Breitman. Two copies of all documents should be served on the OCA as follows:

Christy M. Appleby, Senior Assistant Consumer Advocate
Harrison W. Breitman, Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut St., 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048 or (717) 599-8960
Email: CAappleby@paoca.org
Email: HBreitman@paoca.org

In addition, the OCA requests that all electronic correspondence be copied to Keith Earls, Paralegal, at the following email address: KEarls@paoca.org.

V. DISCOVERY

In conjunction with its proposed schedule, the OCA proposes the following modifications to the Commission's procedural rules regarding discovery. The OCA requests that the Presiding Officers direct that the modifications will take effect when addressed during the on the record prehearing conference and apply to all future discovery requests served on and after the date of the prehearing conference on August 6, 2024.

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the OCA proposes that the deadlines should be reduced as follows:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service; unresolved objections shall be served on the propounding party in writing within four (4) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VI. PROPOSED SCHEDULE

The OCA will work with the parties to develop a mutually agreeable procedural schedule. The OCA supports the proposal of the Joint Solar Providers to request a brief extension of the existing DER pilot program to allow the March 13, 2025 public meeting to be used. In the alternative, if the February 20, 2025 public meeting date must be used, the OCA proposes the following alternative litigation schedule:

Prehearing Conference	Tuesday, August 6, 2024
Other Parties Direct Testimony	Wednesday, September 4, 2024
Rebuttal Testimony	Tuesday, September 30, 2024
Surrebuttal Testimony	Thursday, October 15, 2024

Written Rejoinder	Monday, October 21, 2024
Hearings	Tuesday, October 22, 2024
Main Briefs	Wednesday, November 8, 2024
Reply Briefs	Thursday, November 21, 2024

VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received a request for a public input hearing. The OCA will promptly notify the ALJ and request a public input hearing should circumstances warrant.

VIII. SETTLEMENT

At present, settlement discussions have not been scheduled. The OCA will participate fully in settlement negotiations at the appropriate time.

Respectfully Submitted,

/s/ Christy M. Appleby

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DATE: August 2, 2024