EARTHJUSTICE
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January 9, 2025

VIA E-Filing

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

Re: *Technical Conference on Resource Adequacy in Pennsylvania*, Docket No. M-2024-3051988

Dear Secretary Chiavetta,

In response to the Secretarial Letter filed in the above-referenced docket inviting public comment, please find enclosed the Comments of POWER Interfaith ("POWER"). Should you have any questions, please do not hesitate to contact me. Thank you.

Respectfully submitted,

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Counsel for POWER

Comments of POWER Interfaith to the Pennsylvania Public Utility Commission

on Ensuring Resource Adequacy for Electric Distribution for Customers

Docket No. M-2024-3051988

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Dear Members of the Pennsylvania Public Utility Commission,

On behalf of POWER Interfaith, we respectfully submit these comments regarding the critical issue of resource adequacy for electric distribution customers across Pennsylvania. Our organization is dedicated to advancing social justice, equity, and sustainability in energy access. We strongly support affordable and renewable energy for all Pennsylvanians and urge the Commission to adopt measures that ensure the adequacy of resources to meet our communities' evolving energy needs.

I. Mission and Vision of POWER Interfaith

POWER Interfaith is a racially diverse and multifaith movement which advocates for racial and economic justice on a livable planet. We mobilize diverse faith communities to advocate for justice and equality, particularly in energy policy. We believe that equitable access to affordable and clean energy is a human right, and our efforts extend throughout Pennsylvania to ensure that the needs of marginalized and underserved communities are represented in energy decision-making processes.

II. Advocacy for Affordable and Renewable Energy

The changing energy landscape and rising consumer demands necessitate that the PUC prioritize strategies that promote resource adequacy while supporting the transition to renewable energy sources. By championing affordable and sustainable energy solutions, the PUC can ensure that all customers, particularly those in low-income and marginalized communities, benefit from the clean energy. Under the Environmental Rights Amendment, not only can the PUC consider climate change, environmental issues, and future generations as it formulates its policy on ensuring resource adequacy, it has a constitutional duty to do so.

III. Integrated Distribution Planning (IDP)

We urge the PUC to adopt Integrated Distribution Planning (IDP) as a critical approach to ensuring resource adequacy. IDP is a comprehensive approach to planning that allows utilities and regulators, such as the PUC, to consider a wide range of resources, technologies, and strategies in determining how best to meet future electricity demand while ensuring reliability, cost-effectiveness, and sustainability. Here's how IDP can specifically help the PUC ensure resource adequacy for electric distribution:

1. **Comprehensive Resource Assessmen**t: IDP enables utilities to evaluate all available resources, including traditional generation, renewable energy, demand response, energy efficiency, and energy storage. By assessing a diverse range of options, the PUC can identify the most effective mix of resources to meet demand reliably.

2. **Long-Term Planning**: IDP looks at long-term trends in electricity demand and supply, helping utilities anticipate future needs and avoid short-term, reactive measures. This proactive planning facilitates the identification of potential resource gaps and the development of strategies to address them well before they become critical.

3. **Holistic Approach**: IDP considers not only generation resources but also transmission and distribution infrastructure, demand-side resources, and customer behavior. This comprehensive perspective allows for better coordination between different areas of the grid, ensuring that all aspects of resource adequacy are addressed.

4. **Incorporating Distributed Energy Resources (DERs):** IDP emphasizes the integration of DERs, such as solar, wind, and energy storage, into the distribution system. By recognizing these resources as part of the planning process, the PUC can enhance grid resilience and flexibility, ensuring that local generation can contribute to meeting demand. IDP will also provide an effective framework for managing compliance with FERC's Order 2222.

5. **Enhanced Demand Forecasting:** IDP uses advanced modeling and analytics to improve demand forecasting, taking into account factors like population growth, economic trends, and energy efficiency programs. More accurate demand forecasts help utilities plan for resource adequacy more effectively.

6. **Scenario Planning**: IDP often involves scenario analysis, where planners evaluate different future conditions, such as changes in technology, policies, and consumer preferences. This helps utilities prepare for uncertainties and ensures that resource adequacy strategies are robust under various potential futures.

7. **Stakeholder Engagement**: IDP processes typically involve engaging a broad range of stakeholders, including regulators, utilities, consumers, and community organizations. This collaboration helps ensure that diverse perspectives are considered, leading to more equitable and effective resource adequacy strategies.

8. **Cost-Effectiveness Analysis**: IDP enables a detailed evaluation of the costs and benefits of various resource options, allowing the PUC to identify the most cost-effective solutions for ensuring resource adequacy. This helps balance reliability with affordability for consumers.

9. **Regulatory Alignment**: IDP can help align regulatory frameworks with resource adequacy goals. By integrating planning processes, the PUC can establish clear policies that encourage the development of necessary resources and infrastructure while ensuring compliance with regulatory requirements.

10. **Continuous Improvement**: The IDP process can be iterative, allowing utilities and the PUC to learn from past experiences and continuously improve their planning efforts. By regularly updating plans based on new data, technology advancements, and changing market dynamics, resource adequacy can be maintained over time.

11. **Resilience Considerations**: IDP also focuses on enhancing the resilience of the electric distribution system. By incorporating considerations for extreme weather events and other disruptions, the PUC can ensure that resource adequacy strategies are robust and capable of withstanding challenges.

In summary, by employing Integrated Distribution Planning, the PUC can develop a more resilient, flexible, and comprehensive approach to ensuring resource adequacy for electric distribution customers. This method not only enhances reliability but also supports the transition to a more sustainable and decentralized energy system.

IV. Non-Wires Solutions

We urge the PUC to consider non-wires solutions (NWS) as a means to ensure resource adequacy. NWS refer to alternatives to traditional grid infrastructure upgrades, such as building new transmission or distribution lines, to address capacity constraints and reliability issues. These solutions can include demand response programs, energy efficiency measures, energy storage systems, distributed generation (like solar), and other innovative technologies. Here's how non-wires solutions can ensure resource adequacy for electric distribution:

1. **Demand Response Programs**: By incentivizing customers to reduce or shift their electricity usage during peak demand periods, demand response programs can help stabilize the grid without the need for additional infrastructure. These programs allow utilities to manage demand dynamically, ensuring that supply meets demand.

2. **Energy Efficiency Improvements**: Enhancing energy efficiency in buildings and industrial processes reduces overall energy consumption. By encouraging energy-saving measures, utilities can decrease the load on the distribution system, thereby reducing the need for additional capacity and ensuring resource adequacy.

3. **Distributed Energy Resources (DERs):** Integrating distributed generation sources, such as solar panels, wind turbines, and combined heat and power systems, allows for localized energy production. This reduces the reliance on central power plants and transmission lines, enhancing grid resilience and resource adequacy.

4. **Energy Storage Systems**: Battery storage systems can store excess energy generated during low-demand periods and release it during high-demand periods. This capability helps balance supply and demand, providing a reliable source of energy when needed and reducing the strain on the grid.

5. **Smart Grid Technologies**: Implementing advanced metering infrastructure (AMI), grid automation, and real-time monitoring can optimize the operation of the electric distribution

system. These technologies enable utilities to respond quickly to fluctuations in demand and integrate various non-wires solutions more effectively.

6. **Flexible Loads**: Certain technologies can adjust their operations based on the availability of renewable energy or grid conditions. For example, electric vehicle charging stations can be programmed to charge during off-peak hours or when excess renewable energy is available, thereby helping to manage demand.

7. **Microgrids**: These localized energy systems can operate independently or in conjunction with the main grid. Microgrids can enhance resource adequacy by providing localized resources and managing energy generation and consumption more effectively.

8. **Community Solar and Shared Solar Programs:** These initiatives allow community members to collectively invest in solar projects, increasing access to renewable energy. By generating local solar power, communities can reduce their dependence on centralized power plants and improve overall resource adequacy.

9. **Regulatory and Policy Support:** Encouraging non-wires solutions through supportive policies and incentives can lead to their broader adoption. Utilities and regulators like the PUC, can create frameworks that facilitate investment in these alternatives, fostering innovation and ensuring that resource adequacy is maintained.

10. **Holistic Planning Approaches**: By incorporating non-wires solutions into integrated resource planning, utilities can assess the most cost-effective and reliable options for meeting future demand. This approach allows for a comprehensive understanding of how various solutions can work together to ensure resource adequacy.

By facilitating the adoption of non-wire solutions, the PUC can enhance grid reliability, promote sustainability, and potentially lower costs for consumers while ensuring that the electric distribution system can meet future demand effectively.

V. Long-Term Renewables Contracts in Default Service Procurement

Earlier this year, POWER and its partners submitted extensive testimony on the benefits of incorporating long-term zero emission renewable contracts in default service procurement as part of our engagement in the PUC proceeding to review PECO's default service procurement plan for 2025-29 (resulting in a settlement with PECO providing for procurement from a new 25 MW solar project to be located in PA).

While we will not repeat that testimony in detail here, we will note at a high level that the benefits of long-term zero emission renewables contracts are available for all utilities in PA, not just PECO. Long-term renewables contracts can help provide stable, affordable, and reliable power for ratepayers as the effects of climate change continue to accrue and compound. Such contracts can also provide a means of financing the construction of solar facilities in PA, with attendant economic co-benefits, including green jobs.

VI. Implementation of Order 2222

While the PUC began to take action on this in 2024, the PUC must finish the job in 2025. At present, unnecessary legal barriers are standing in the way of the aggregation of distributed resources in PA to participate in wholesale markets and ease resource constraints. As required by FERC's Order 2222, the PUC must adopt implementing regulations and supervise the process of utility compliance. It is imperative that we stop blocking the distributed renewables that already exist in PA (or that could be financed and built in PA with appropriate regulatory clarity) from contributing their full technical capacity to resource adequacy.

VII. Conclusion

In conclusion, we respectfully urge the PUC to take decisive action to ensure resource adequacy for electric distribution customers by taking the steps that we outline here to remove barriers to affordable clean energy. By prioritizing affordable and renewable energy, embracing Integrated Distribution Planning and non-wires solutions, and implementing Order 2222, the PUC can establish a resilient energy system that effectively serves not only low income households and that face the greatest challenges to energy access, but all communities. POWER Interfaith is eager to collaborate with the PUC and other stakeholders in this vital effort toward a just and sustainable energy future for Pennsylvania.

Thank you for your attention to this important matter.

Sincerely,

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