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April 15, 2025

VIA ELECTRONIC FILING

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

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

Dear Secretary Chiavetta:

Attached for filing with the Commission is The Sustainable Energy Fund's Reply Brief in the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service.

Sincerely,

/s/ Judith D. Cassel

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Central Eastern Pennsylvania*

JDC/das
Enclosure

cc: Administrative Law Judge John Coogan (via email, jcoogan@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. P-2024-3049223
 :
 Petition of PPL Electric Utilities :
 Corporation for Approval of its Second :
 Distributed Energy Resource Management :
 Plan :

**REPLY BRIEF
OF SUSTAINABLE ENERGY FUND
OF CENTRAL EASTERN PENNSYLVANIA**

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I. INTRODUCTION

1. SEF's Position

SEF continues to oppose PPL's Petition to continue its Distributed Energy Resource Pilot Plan ("Pilot") into its Phase II DER Plan ("Phase II") for four reasons. First, during its Pilot, PPL failed to complete a cost-benefit analysis comparing active control versus autonomous control over the distributed energy resources ("DERs") connected to its system, without which the Commission will be unable to assess the merits of PPL's Phase II plan. Second, actively controlling DER systems undermines the Commonwealth of Pennsylvania's renewable, sustainable, regenerative, environmental, and democratization of energy goals while unjustifiably intruding on customer privacy and risking customer safety. Third, in lieu of a utility-by-utility approach to DERs in Pennsylvania, SEF encourages a state-wide proceeding that would include DER experts, environmentalists, scientists, and DER owners and installers that would result in a comprehensive state-wide DER plan. Fourth, despite repetitive claims that its Pilot will save customers money, PPL is unwilling to commit to not raising customers' rates based on its Phase II Plan.

Because PPL's Phase II Plan has the possibility of risking customers' safety, raising prices, and creating a patchwork approach to DER regulations in Pennsylvania while undermining core and important energy and environmental goals, it should be denied.

2. Procedural History

Following the evidentiary hearings on February 11-12, 2025, on PPL Electric Utilities Corporation's ("PPL") Petition for approval of its Second Distributed Energy Resources Management Plan, the Sustainable Energy Fund ("SEF") filed its Main Brief in this proceeding on March 25, 2025. PPL's DER Phase II Plan seeks to allow PPL "to continue actively managing and monitoring DERs in its service territory, as the Company has done for the past 3

years under its First DER Management Plan”.¹ PPL’s obsession with controlling DERs in its service territory, including curtailing DERs’ outputs, conflicts with the statutory requirement that “[c]ustomers should be allowed to choose among alternatives such as firm and interruptible service, flexible pricing and alternative generation sources, including reasonable and fair opportunities to self-generate and interconnect.”² SEF opposes PPL’s Phase II Plan for multiple additional reasons set forth in its Main Brief, which is incorporated herein by reference. Pursuant to Judge Coogan’s Briefing Order, SEF files this Reply Brief now in order to respond to several arguments raised by PPL in its Main Brief.

Other main briefs were filed by the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Joint Solar Parties³, and the PP&L Industrial Customer Alliance (“PPLICA”).

II. REPLY ARGUMENT

A. PPL’s Claim that It Must Actively Control DER Systems is Meritless

1. PPL Is Wrong that Without PPL’s Active Control Over the DER Systems in Its Territory, the Commonwealth Will Lose the Ability to Address Climate Change and Sustainability

The PPL statement in its brief that “[w]ithout active DER management and monitoring ... the Commonwealth, Commission, and PPL Electric all will lose a vital tool in addressing climate change and sustainability objectives” is not quite correct.⁴ As Mr. John Costlow succinctly stated in his Rebuttal Testimony, “[w]ith a remote control system, PPL can shut down or curtail a customer’s system, which limits the amount of energy a customer can receive from its own system. Under PPL’s system, the DER owners do not control their own systems, energy

¹ PPL’s Main Brief at 1.

² 66 Pa.C.S. § 2804(2).

³ The members making up the Joint Solar Parties are American Home Contractors, Inc., Enphase Energy, Inc., the Solar Energy Industries Association, SolarEdge Technologies, Inc., Sun Directed, Tesla, Inc., and Trinity Solar, LLC. Solar Parties Main Brief at 1.

⁴ PPL Main Brief at 7.

savings, energy outputs, or compensation.”⁵ By actively controlling the output of DER systems, PPL gives itself the power to limit or decrease the outputs of these very systems that provide renewable and sustainable energy for Pennsylvania. If PPL is permitted to curtail such renewable energy sources, by definition, it gives itself the control to decrease renewable energy in the Commonwealth. Therefore, the “active management” system that PPL proposes to carry from its Pilot program into its Phase II Plan makes it more likely that PPL’s Phase II Plan will have a detrimental effect on, and not be a vital tool in, the Commonwealth’s efforts to address climate change and sustainability.

In support of SEF’s argument that PPL’s Phase II Plan will stifle, not encourage, the renewable energy benefits from DER systems, one needs look no further than the fact that during PPL’s Pilot Program, Pennsylvania saw a dramatic decline in the growth rate of DER systems. At a minimum, this would indicate that PPL’s Pilot is not a “vital tool” in achieving the Commonwealth’s climate change and sustainability objectives. The more likely prospect is that PPL’s Pilot Program actually “significantly reduce[d] the year-over-year” growth rate of DER systems.⁶

In PPL’s Main Brief, it makes other illogical conclusory statements in support of the climate change and sustainability attributes of its Phase II. For example, part of the Commonwealth’s climate change goals is the reduction of greenhouse gases, including those from the use of energy.⁷ PPL admits that rooftop solar DER “is significantly less carbon intensive than natural gas and coal,” and therefore, under PPL’s Phase II Plan, more DERs should be connected.⁸ However, PPL claims that unless its Phase II Plan is approved, no more

⁵ SEF Statement No. 1-R at 3:10-13.

⁶ SEF Statement No. 1-R at 6:5-11.

⁷ 71 P.S. § 1361.7(a)(3).

⁸ PPL Witness Ms. Dombrowski-Diamond’s Response to SEF I-18.

than 3,000 DERs can be connected to its system. The 3,000 DER interconnections limitation is PPL's self-imposed limitation. Not only did PPL not adhere, during the Pilot, to its own 3,000 DER connection limitation, but it now claims that if this "cap is not removed soon," more than half the DERs each year will not be monitored or managed. It goes on to predict a list of horrors that will ensue from the inability to remove this self-imposed DER interconnection cap. PPL does not say why the Phase II Plan is necessary in order for it to connect and monitor more than 3,000 DERs on its system or whether its system could connect substantially more than 3,000 DERs if the connection was only for autonomous control (monitoring). Without answers to these questions, PPL's assertions are just self-serving conclusory statements.

PPL goes on to opine, without evidence, that it can achieve its reduced emissions because its DER solar customers will have an "inspiring feeling of energy independence [which will] likely motivate them to take additional actions to help mitigate climate change."⁹ Notable is that PPL offers no evidence in support of this unfounded and unrealistic assumption, which only underscores PPL's lack of any concrete plan to employ valuable DER renewable resources in any meaningful way to reduce greenhouse gases.

PPL asserts that its Pilot proves, and its Phase II Plan needs, control over DERs in order to achieve its CO₂ emission reductions.¹⁰ But PPL's assertion is misleading in two ways. First, PPL's claimed reduction in its Pilot of 32.27 metric tonnes per hour for DERS enrolled in the program only applied to twelve customers, representing 0.06% of customers who applied to interconnect. The reduction of 32.27 metric tonnes per hour for DERS enrolled in the Pilot Program, in terms of magnitude, represents only 6.4 homes' annual electric usage. Second,

⁹ PPL Main Brief at 22.

¹⁰ PPL's Main Brief at 23.

PPL’s assertion only applied to active control. PPL did not compare any reduction in greenhouse gases derived from active management of DERs versus autonomous control only.

Finally as to PPL’s claims that its Phase II Plan will provide Pennsylvania with the “tools” to address climate change and sustainability objectives, this proceeding includes only a handful of persons or businesses that may be impacted by DER systems, it does not reflect the full scope of ideas, information, and experience from a wide array of environmentalists, climate scientists, and regenerative experts needed to truly develop “tools” to meet the Commonwealth climate, sustainability, and renewable energy objectives through DER systems.¹¹

2. PPL’s Claim that It Must Actively Control DER Systems To Respond to Dynamics Created by DERs is Meritless

After listing a litany of possible woes that *could* befall an EDC because of DERs on its system,¹² PPL claims that “[w]ithout *active management* and monitoring of DERs [PPL would be] severely limited in [its] ability to respond to these changing dynamics and the issues created by DERs.”¹³ (emphasis added). Putting aside the hyperbolic and alarmist descriptions PPL uses to decry the dangerous risks that the small number of DERs on its system could cause, PPL fails to describe why combining pre-installation inverter standards with monitoring and autonomous control is insufficient to prevent or manage these risks.

Under the Joint Petition for Settlement of All Issues in Docket No. P-2019-3010128 (“Settlement”), PPL was:

authorized to conduct a pilot program (“pilot” or “pilot program”) test and evaluate: (1) the costs and benefits to distribution system operation and design of *monitoring* DERs through devices connected to inverters as compared to maintaining distribution system status visibility through other means (e.g., automated meter

¹¹ SEF Statement No. I, 10:21-11:-2. “This proceeding, it is still a small group lacking representation from a wide array of environmentalists and owners of small distributed energy systems.”

¹² PPL’s Main Brief at 13 - 14.

¹³ PPL’s Main Brief at 14.

reading equipment, ADMS systems¹⁴, modeling); and (2) the costs and benefits to distribution system operation of *active management* of DERs as compared to the benefits available through the use of inverter autonomous grid support functions.¹⁵

(emphasis in the original).

Despite PPL’s own witness, Mr. Cody Davis, extolling the value of monitoring DER systems in real time¹⁶ and PPL’s requirement to properly evaluate autonomous control, PPL failed to properly study and evaluate the benefits of autonomous control. Though PPL did monitor control group number 2 (autonomous control group) for real power production, reactive power production, and voltage at DER locations, PPL failed to address the costs and benefits of autonomous control of inverter-based DERs compared to active control as required under the Settlement. It is important to note that despite PPL citing the Pennsylvania Department of Environmental Protection’s “PA Solar Future Plan” which also recommends utilities employ “sophisticated monitoring” in order to “maintain grid stability and reliability,”¹⁷ PPL still failed in its Pilot to properly consider active control versus real-time monitoring.

DERs with state-wide pre-installed standards that are monitored by a utility in real time provide the majority of the benefits that PPL seeks.¹⁸ PPL’s obsession with controlling DERs and its failure to address throughout its Petition, this proceeding, and its Main Brief the benefits and opportunities of autonomous control versus active control over inverter-based DERs shows a

¹⁴ ADMS, an Advanced Distribution Management System, is a software platform used by electric utilities to automate and optimize the management of electricity distribution networks.

¹⁵ Joint Petition for Settlement of All Issues, at ¶ 54.

¹⁶ PPL Electric Statement No. 3-R at 3.

¹⁷ SEF Statement No. 1 at 6, “Yes, on page 90, the plan states ‘note that programming and /or hardware adjustments needed for the inverters to function in this manner is conducted at the site and does not give EDC any remote control of the system. However, it is also possible that the smart inverters can be programmed for remote control applications by utilities, with the customer-generators’ consent (and maybe along with an incentive).”

¹⁸ SEF Statement No. 1 at 21.

clear bias to control DERs, and perhaps limit their production, versus monitoring them for the important information that PPL could use to achieve its grid management goals.¹⁹

B. PPL Cannot Reconcile Its Claim that Its DER Plan Saves Customers Money with Its Resistance to Guarantee No Price Increases in Rate Case for DER Program

PPL has repeatedly stated that its proposal “will help PPL Electric fully realize the benefits of actively monitoring and managing DERs.”²⁰ What PPL does not state is whether the same benefits accrue to its DER and non-DER customers and whether these same benefits would accrue to PPL and its customers if it only implemented autonomous control over the DERs. PPL states that “even if the Plan’s benefits were removed completely, the Plan’s absolute costs would not significantly impact customers’ bills.”²¹ Putting aside the question of why anyone should “remove benefits” in order to calculate true customer costs, why will PPL not unequivocally commit to not raising customer prices as a result of its DER Phase II Plan?

PPL’s Petition and Brief are replete with statements of how much the program saves PPL and its customers.²² PPL boasts that its Phase II Plan “will directly benefit ratepayers by decreasing PPL Electric’s revenue requirement in base rate proceedings.”²³ However, PPL seems to hedge its bets when it states that “even without realizing any of the projected benefits from the proposed Plan, the Plan would *not significantly* impact customers’ bills.”²⁴ (emphasis added.)

¹⁹ SEF Statement No. 1 at 12.

²⁰ PPL Main Brief at 12.

²¹ PPL Main Brief at 28.

²² PPL’s Main Brief, “The largest benefits is associated with avoided O&M expenses that result from reduced voltage on the system.” “costs related to active management in that period will total \$26.5 million, with active management producing more than \$48 million in benefits.” at 30, “Accounting for the monitoring capabilities created by the installation of DER Management devices results in net benefits that are even greater, growing to approximately \$65.5 million.” At 31. “the Plan is still projected to achieve benefits in excess of its cost. at 32.

²³ PPL’s Main Brief at 35.

²⁴ PPL’s Main Brief at 36.

Despite all of PPL's claims of savings, it is unable to commit to not raising customer prices on distribution services based on the costs of its DER Phase II Plan. Additionally, PPL's Witness, Mr. Salet, stated that "[t]o be clear, reasonable and prudent capital costs and expenses incurred by the Company are recoverable from customers in rates."²⁵

PPL also arrogantly casts off any of the parties' interests in this proceeding and their concerns over PPL's cost/benefit analysis by stating, "[w]hile intervenors may make recommendations on alternative strategies to adopt, these recommendations do not necessarily lend themselves to inclusion in the cost-benefit analysis during this proceeding."²⁶ PPL punctuates its disdain for intervenors by concluding "the other parties' criticism of the cost-benefit analysis performed have no merit and should be rejected."²⁷ PPL has forgotten that SEF, as a party to the Settlement, has every right to complain about PPL's failure to adequately provide a cost-benefit analysis comparing "active management" with "autonomous grid support functions."²⁸ Additionally, as part of its Pilot, PPL did not do a cost analysis or impact of its Phase II Plan on solar installers and contractors.²⁹ PPL should not be permitted to move forward into its Phase II Plan unless and until it can adequately provide complete and accurate cost-benefit analyses for all those that might be impacted by its Phase II Plan.

C. PPL's Request to the Commission to Deny SEF's Recommendations Should Be Rejected

PPL dismisses SEF's claims and concerns over the Phase II Plan by again asserting *petitio principii*. To eliminate SEF's meritorious claims, PPL uses nonsensical circular logic, stating that the "cost-benefit analysis is reliable and clearly demonstrates that PPL Electric's

²⁵ PPL's Witness, Mr. Salet's response to SEF-I-22.

²⁶ PPL's Main Brief at 40.

²⁷ *Id.*

²⁸ Settlement at ¶ 54

²⁹ PPL's Witness, Mr. Salet's, response to SEF-I-22.

proposal will be cost-effective.”³⁰ As such, PPL’s attempts to disregard SEF’s claims only serve to demonstrate their merits.

III. CONCLUSION

The Sustainable Energy Fund submits that the Commission should reject PPL’s Phase II Plan based upon PPL’s failure to provide the required analysis of the cost benefits, including those that impact Pennsylvania’s renewable, sustainability, and carbon emission goals and customers’ wallets. The Commission should also direct PPL to undertake and conduct the required analysis suggested by the Sustainable Energy Fund to any revised plan it submits.

Respectfully submitted,

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³⁰ PPL Main Brief at 56.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via email, a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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