

September 4, 2015

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

## **RE:** Pennsylvania Public Utility Commission v. Petition of PPL Electric Utilities Corporation Docket R-2015-2469275

Dear Secretary Chiavetta:

Please find enclosed for filing *The Alliance for Solar Choice Statement in Support of the Joint Petition for Settlement*, and associated *Certificate of Service*, evidencing service upon parties of record in this proceeding.

Please contact me if you have any questions regarding this filing.

Sincerely,

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cc: David Wooley Joseph Minott Jacob Schlesinger Service List R-2015-2469275

#### BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

:

Pennsylvania Public Utility Commission

v.

R-2015-2469275

Petition of PPL Electric Utilities Corporation

# THE ALLIANCE FOR SOLAR CHOICE STATEMENT IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT

The Alliance for Solar Choice ("TASC"), by and through its attorneys, submits the following Statement In Support of the Joint Petition for Settlement of this general rate case by the Joint Applicants filed on September 4, 2015.

1. On March 31st, 2015, the PPL Electric Utilities Corporation ("PPL" or "the Company") filed an application for approval by the Pennsylvania Public Utility Commission ("Commission") for an increase in its electric power rates. On May 14, 2015 TASC filed an Amended Petition to Intervene in these proceedings, which was granted on May 28, 2015 (Fourth Prehearing Order). Since that time, TASC has remained an active Intervener in these proceedings. TASC participated in prehearing conferences, and submitted Direct and Surrebuttal Testimony of its witness Steven Gabel, along with supporting exhibits. TASC also participated actively in discovery and settlement discussions.

2. In its Petition to Intervene and testimony TASC addressed two issues

regarding the proposed increase in rates:

- TASC believed that the increase in fixed residential customer charges was not supported by the cost of service evidence submitted by the Company and would undermine public policies of the Commonwealth which were intended to increase investment in distributed renewable energy and energy efficiency.
- TASC also believed that PPL's request for an increase in rates to support its distribution system should be conditioned on improvements in its interconnection processes for customer-sited renewable energy generation.

3. In accordance with the Commission's policy encouraging negotiated settlement of contested proceedings, the Joint Petitioners engaged in discussions to resolve the issues raised by the various parties. These negotiations resulted in the Joint Petition for Settlement, which proposes a resolution of all outstanding issues between the Joint Petitioners in this proceeding. The paragraphs below describe why TASC believes the Joint Petition for Settlement is in the public interest and why it supports the provisions on fixed residential customer charges and the customer-sited generation interconnection process.

4. The Joint Petition for Settlement proposes to keep the residential customer charge at the current level (\$14.09/month), and essentially withdraws the Company's proposal to increase the charge to \$20.00 per month. TASC supports this result since any increase in the customer charge would have had a wide range of undesirable effects. The increase would tend to reduce customer investment in energy efficiency and on-site renewable energy equipment, because the higher fixed charge would lengthen the payback periods for these investments. In the long run, this reduced customer investment would lead to higher costs to maintain and operate the distribution system. The increase

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would have had an adverse financial impact on electricity customers who use small amounts of power, particularly low-income customers. The increase in the customer charge would have been contrary to a number of state policies including those designed to increase energy efficiency, renewable energy and to maintain affordable electric service for all customers.

5. In its Petition to Intervene, TASC proposed a number of improvements in the Company's processes for interconnection of customer-sited renewable generation. Interconnection of customer-sited generation is an important form of customer service as it provides homeowners and businesses access to the distribution system to exercise options to self generate and take advantage of the Commonwealth's net metering policies. After extensive discussions with the Company, TASC agreed to narrow its requests to three items.

6. The Joint Petition proposes that PPL will undertake best efforts to approve customer-sited generation for operation within 10 days from the date of a witness test or inspection (or 10 days after the witness test has been deemed waived). This provision provides important assurance to customers as to when they can begin operation of their generation equipment. This commitment removes an ambiguity in the pre-existing interconnection processes as to when customers can expect to receive permission to operate. This, in turn, helps reduce the costs of interconnection and improves customer relations.

7. The Joint Petition commits PPL to undertake a study of the legality, feasibility and technical requirements of interconnecting distributed generation in combination with storage and battery facilities. It became clear to TASC during settlement negotiations

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that there has been little experience in how to interconnect energy storage equipment installed in combination with solar energy generation in Pennsylvania. TASC expects that this technology combination will be used extensively in the future and hence there is current need to assess how to treat energy storage facilities under the state's interconnection processes. This commitment will provide PPL and other parties time to research and assess how such equipment should be addressed in future interconnection applications. TASC expects this will lead to a more thorough and thoughtful assessment of this question than was possible within the time limitations of the current rate case. This commitment is in the public interest since energy storage technology could contribute significantly to lower costs and increased reliability of the distribution and transmission systems, and clarity on interconnection processes will help eliminate any institutional or regulatory barriers to the technology.

8. Finally, the Joint Petition includes a commitment by PPL to not oppose the opening of a statewide process to revise distributed generation interconnection standards. This provision is in the public interest since TASC believes several improvements in interconnection standards would help reduce costs of interconnection and provide greater certainty for customers considering investments in distributed renewable generation.

WHEREFORE, The Alliance For Solar Choice respectfully requests that Administrative Law Judge Susan Colwell and the Pennsylvania Public Utility Commission approve the Joint Petition For Settlement in this case without modification.

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Respectfully submitted,

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## RE: Pennsylvania Public Utility Commission v. Petition of PPL Electric Utilities Corporation Docket R-2015-2469275

I hereby certify that I have this day served a true copy of the foregoing document 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 4th day of September 2015.

#### SERVICE BY FIRST CLASS U.S. MAIL, POSTAGE PREPAID (eServed as a courtesy, if email available)

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Dated September 4, 2015.

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