

August 30, 2019

Via Electronic Filing

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

RE: Petition of PPL Electric Utilities Corporation for Approval of Tariff

Modifications and Waivers of Regulations Necessary to Implement its

Distributed Energy Resources Management Plan

Docket No. P-2019-3010128

Motion for Leave to Reply and Reply of Sunrun Inc. and Natural Resources Defense Council to PPL Electric Utilities Corporation Letter Response and Request for Hearing

Secretary Chiavetta:

Enclosed please find the *Motion for Leave to Reply and Reply of Sunrun Inc. and Natural Resources Defense Council to PPL Electric Utilities Corporation Letter Response and Request for Hearing* for filing in the above-referenced proceeding. Please contact me if you have any questions concerning this matter.

Sincerely,

/s/ James M. Van Nostrand
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Keyes & Fox, LLP

Counsel to Sunrun Inc.

Petition of PPL Electric Utilities Corporation

for Approval of Tariff Modifications and

Waivers of Regulations Necessary to Docket No. P-2019-3010128

Implement its Distributed Energy Resources

Management Plan

MOTION FOR LEAVE TO REPLY AND REPLY OF SUNRUN INC. AND NATURAL RESOURCES DEFENSE COUNCIL TO PPL ELECTRIC UTILITIES CORPORATION LETTER RESPONSE AND REQUEST FOR HEARING

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Petition of PPL Electric Utilities Corporation :

for Approval of Tariff Modifications and

Waivers of Regulations Necessary to Docket No. P-2019-3010128

Implement its Distributed Energy Resources

Management Plan :

MOTION FOR LEAVE TO REPLY OF SUNRUN INC. AND NATURAL RESOURCES DEFENSE COUNCIL TO PPL ELECTRIC UTILITIES CORPORATION LETTER RESPONSE AND REQUEST FOR HEARING

Pursuant to 52 Pa. Code §5.103, Sunrun Inc. ("Sunrun") and Natural Resources Defense Council ("NRDC") hereby submit this Motion for Leave to Reply ("Motion") and Reply ("Reply") to the letter ("Letter") filed by PPL Electric Utilities Corporation ("PPL") dated August 22, 2019. In the event the Commission does not grant Sunrun's and NRDC's Preliminary Objection, submitted contemporaneously with this Motion, Sunrun and NRDC request in the alternative that the relief requested in this Motion and Reply be granted. Pursuant to 52 Pa. Code §5.103(b), notice is hereby provided that a responsive pleading shall be filed within 20 days of the date of service of this Motion.

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Sunrun and NRDC are parties to this proceeding, see Docket No. P-2019-3010128, Interim Order Granting Petitions of Natural Resources Defense Council and Sunrun Inc. to Intervene (Aug. 22, 2019).

Docket No. P-2019-3010128, Preliminary Objection of Sunrun Inc. and Natural Resources Defense Council to PPL Electric Utilities Corporation Letter Response and Request for Hearing (Aug. 30, 2019).

I. Discussion in Support of Motion

PPL uses its Letter as a vehicle for responding to the Answers submitted by Sunrun, NRDC, and the Office of Consumer Advocate ("OCA") to its Petition, and goes on to claim that "the issues raised by PPL Electric's Petition are ripe for review through the standard administrative litigation process" and to request that "the instant matter be assigned for hearing and disposition before an administrative law judge without delay." Sunrun and NRDC strongly disagree with PPL's assertion and object to this matter proceeding through the "standard administrative litigation process." If the Commission does not deny PPL's Petition – as recommended by Sunrun, NRDC, and the OCA in their respective Answers to PPL's Petition – the Commission should address the issues raised in the Petition on a statewide basis, as recommended by Sunrun, NRDC and the OCA.

As noted in the Reply that is the subject of this Motion, PPL's Letter in response to the parties' Answers contains numerous inaccuracies regarding the purported benefits of following the "standard administrative litigation process." Granting this Motion would serve the interests of justice and promote administrative efficiency in the disposition of this matter. Moreover, granting the Motion would ensure that the foundational issue – whether the statewide issues raised in PPL's Petition should be addressed through a utility-specific administrative litigation process, rather than on a statewide basis through a rulemaking process – is properly before the Commission and/or the presiding officer for disposition prior to this matter proceeding further.

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Docket No. P-2019-3010128, Letter of PPL Electric Utilities Corporation to Secretary Chiavetta (Aug. 22, 2019) ("PPL Letter").

See Docket No. P-2019-3010128, Answer of Sunrun Inc. to Petition of PPL Electric Utilities Corporation at p. 17 (July 30, 2019); Answer of Natural Resources Defense Council to Petition of PPL Electric Utilities Corporation at pp. 16-17 (July 30, 2019); Answer of the Office of Consumer Advocate at p. 10 (July 30, 2019).

II. Conclusion

For the reasons set forth herein, Sunrun and NRDC request that this Motion be granted.

Respectfully submitted this 30th day of August 2019.

/s/ James M. Van Nostrand

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Petition of PPL Electric Utilities Corporation

for Approval of Tariff Modifications and

Waivers of Regulations Necessary to Docket No. P-2019-3010128

Implement its Distributed Energy Resources

Management Plan :

REPLY OF SUNRUN INC. AND NATURAL RESOURCES DEFENSE COUNCIL TO PPL ELECTRIC UTILITIES CORPORATION LETTER RESPONSE AND REQUEST FOR HEARING

On August 22, 2019, PPL Electric Utilities Corporation ("PPL") filed a letter ("Letter") in response to the answers ("Answers") of Sunrun Inc. ("Sunrun"), the Natural Resources

Defense Council ("NRDC") and the Office of Consumer Advocate ("OCA"). PPL's Letter requests that the Public Utility Commission ("Commission") allow the *Petition of PPL Electric Utilities Corporation for Approval of Tariff Modifications and Waivers of Regulations Necessary to Implement its Distributed Energy Resources Management Plan* ("Petition"), filed on May 24, 2019 in the above referenced docket, to be reviewed through the "standard administrative litigation process."

I. Discussion

As a threshold matter, the Commission has not yet issued a foundational ruling with regard to whether PPL's Petition will be denied. Indeed, the parties to this proceeding – Sunrun, NRDC and the OCA – each submitted Answers recommending the Commission deny the

Docket No. P-2019-3010128, *Letter of PPL Electric Utilities Corporation to Secretary Chiavetta* (Aug. 22, 2019) ("PPL Letter").

Petition.² In the alternative, the parties recommended the Commission address the numerous technical and policy issues raised in the Petition in a statewide rulemaking proceeding. To wit, in its Answer, Sunrun requested in the alternative that the "Commission suspend the proposed tariff revisions and open a new proceeding applicable statewide to investigate the technical, policy and other issues raised by the Petition and allow all interested parties to participate and engage through a full and robust stakeholder process." NRDC recommended in the alternative that "[a]t such time as consideration of a DER Management System is warranted, it should be done through a generic rulemaking process to amend Chapter 75 rather than implemented piecemeal by an individual utility, which would create the possibility of disparate interconnection requirements across the Commonwealth." The OCA recommended in the alternative, that "PPL's proposal presents a broader set of questions that affects numerous stakeholders, including regulatory, utilities and consumers alike. Indeed a statewide approach to this issue may be beneficial for several reasons."

Contrary to PPL's assertions in its Letter, the numerous technical and policy questions raised by PPL's Petition are indeed best addressed on a statewide basis if the Commission determines the issues raised in the Petition are ripe for review. Litigating these issues on utility-by-utility basis, as PPL requests, could result in inconsistent interconnection and advanced inverter standards across the Commonwealth, insert significant administrative inefficiencies for the Commission, interested stakeholders, and the utilities, and unfairly prejudice parties with limited resources by requiring stakeholders to participate in each utility's litigated proceeding.

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Docket No. P-2019-3010128, Answer of Sunrun Inc. to Petition of PPL Electric Utilities Corporation (July 30, 2019) ("Sunrun Answer"); Answer of Natural Resources Defense Council to Petition of PPL Electric Utilities Corporation (July 30, 2019) ("NRDC Answer"); Answer of the Office of Consumer Advocate (July 30, 2019) ("OCA Answer")

Sunrun Answer at p. 17.

NRDC Answer at pp. 16-17.

OCA Answer at p. 10.

PPL's arguments in support of its request for an administrative litigation process are inapposite. First, PPL acknowledges that "the parties have raised many technical and policy questions concerning the Company's DER Management Plan" but inexplicably concludes that these questions are best addressed through litigation specific to PPL. Contrary to PPL's assertion, this is simply the wrong approach given that the Petition raises significant policy and technical issues of statewide concern. Proceeding under the "standard administrative litigation process" would likely set a binding precedent that advanced inverter standards will be addressed only on a utility-by-utility basis for the rest of the state and would insert substantial uncertainty in the timing of the rollout of advanced inverter standards and how the standards are applied by each individual utility. The adoption of advanced inverter standards raises critical policy and technical questions that should be addressed through a statewide rulemaking proceeding that provides for robust stakeholder input and results in uniform rules across the state.

PPL also asserts that an adjudicatory process specific to PPL is necessary (1) due to the challenges posed by distributed energy resources ("DERs") interconnecting in its service territory, and (2) because the strategies and technologies necessary to provide reliable and safe electric service to customers in some parts of its territory are different than the ones presented by DERs interconnecting in other parts of its territory. In other parts of its Letter; however, PPL refers to the impact of DER development throughout Pennsylvania as the driver for its Petition, conceding that it is a statewide issue. ("[T]he electric transmission and distribution systems *in Pennsylvania* and the United States are currently undergoing significant changes, particularly

PPL Letter at p. 2 (suggesting that "[t]his process would produce a clearer and more thorough record for the Commission to review when rendering its final decision" because "[i]n contrast to a statewide proceeding where parties submit comments, litigation would enable the parties to engage in discovery, submit testimony, cross-examine witnesses, and file briefs on the factual and legal issues concerning the Company's proposal").

Id.

due to the increasing deployment and use of DERs. As the deployment of DERs *in Pennsylvania* increases, PPL Electric must simultaneously balance distribution system demand and supply to ensure that its customers are provided reasonable, safe, and reliable electric service.")⁸

PPL's Petition requesting the Commission allow PPL to require all new interconnecting DER customers to install certain communication devices and advanced inverters that comply with standards that have yet to be adopted, as well as the right to control customers DERs, raises critical policy and technical questions of statewide concern. Addressing these issues on a utilityby-utility basis would lead to, among other undesirable outcomes, inconsistent interconnection and advanced inverter standards for each utility and different DER market participation structures across utility territories. Such outcomes would insert inconsistency and unpredictability in DER markets and have a substantial chilling effect on the still nascent DER market in Pennsylvania. DER financeability, market stability, consumer protection, the evolution in how DERs are used to address grid needs, and valuation of DER-provided grid services in future proceedings, and numerous other issues related to advanced inverter standard implementation, require consistent statewide policies. The timing for the adoption of advanced inverter standards and resolving issues around the implementation of those standards raise fundamental technical and policy questions of statewide concern that should be resolved through a process that results in uniform rules applicable statewide.

Finally, PPL notes that "only three parties, *i.e.*, OCA, NRDC, and Sunrun, intervened in this proceeding," and claims that because of the "very limited number of parties, as well as the utility-specific scope of this proceeding, the Company's proposal can reasonably be litigated before an administrative law judge." It is simply false to suggest that a "very limited number of

⁸ *Id.* (emphasis added).

⁹ *Id*.

parties" have an interest in the issues raised in the Petition. In addition to Sunrun, NRDC and OCA, eight other entities submitted comments in opposition to PPL's Petition. ¹⁰ Seven of those entities – including major stakeholders in the solar industry such as the Pennsylvania Solar Energy Industries Association, the Interstate Renewable Electricity Council, Inc., and Grid Lab – submitted comments specifically in support of the Answer submitted by NRDC. ¹¹ While PPL appears to discount the interests of those stakeholders submitting comments but not intervening, the fact that eleven entities submitted comments in opposition to PPL's Petition demonstrates broad and significant stakeholder interest in the issues raised by PPL's Petition. This level of stakeholder interest underscores the importance of addressing these issues through a statewide rulemaking process. Given this level of interest, the "standard administrative litigation process" is precisely the wrong approach for addressing these issues. The resources and expertise required to participate in a litigated proceeding are significant and would preclude numerous stakeholders – including those submitting comments in this proceeding but not intervening – from providing valuable input on these important issues.

Resolution of the fundamental technical and policy issues raised in PPL's Petition will have far reaching statewide implications for DER markets in Pennsylvania. Addressing these issues in a rulemaking proceeding applicable to all utilities in the Commonwealth would allow

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See Docket No. P-2019-3010128, Trinity Solar, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Grid Lab, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Solar Unified Network of Western Pennsylvania, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Independent Energy Solutions, LLC, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Interstate Renewable Energy Council, Inc., Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Pennsylvania Solar Energy Industries Association, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019); Exact Solar, Comments in Support of Answer Filed by Natural Resources Defense Council (July 30, 2019) Comments of Sustainable Energy Fund (July 30, 2019).

See, id.

the Commission to investigate the issues raised in PPL's Petition, and additional issues implicated in the adoption of advanced inverter standards, through a transparent and deliberative process. A statewide rulemaking process can facilitate the robust stakeholder engagement that these issues warrant and will ensure statewide consistency in the timing and implementation of advanced inverter standards.

Sunrun and NRDC are not aware of any other state contemplating the adoption of advanced inverter standards on a utility-by-utility basis. As Sunrun observed in its answer, the Interstate Renewable Energy Council recommends "for states with multiple regulated utilities, statewide adoption of IEEE Std 1547-2018 will provide greater consistency across utilities and enable a more streamlined rollout of the Standard, which will benefit consumers, utilities and DER developers alike."¹²

Sunrun and NRDC strongly oppose PPL's request that this matter proceed through the "standard administrative litigation process." Sunrun and NRDC reiterate their recommendation that the Commission adopt the deliberative and collaborative approach undertaken in other states and address these issues through a statewide proceeding that provides for a robust stakeholder process and results in the adoption of uniform rules applicable statewide.¹³

II. Request for Preliminary Ruling on the Merits and Procedural Clarification

Sunrun and NRDC request that before this matter proceeds further, the Commission or the assigned officer provide a preliminary ruling addressing the issues raised in the parties' Answers, including (1) whether to deny PPL's Petition and (2) if the Petition is not denied, a determination as to whether the issues raised in the Petition should be addressed in a statewide rulemaking proceeding or proceed pursuant to an administrative litigation process. Sunrun and

Sunrun Answer at p. 16, FN 10.

See Sunrun Answer; NRDC Answer.

NRDC respectfully submit that the process for addressing these foundational issues should be discussed and clarified at the prehearing conference being scheduled by Administrative Law Judge DeVoe.

III. Conclusion

Sunrun and NRDC emphasize again their strong objection to PPL's proposals and urge the Commission to deny PPL's Petition. As discussed herein, and in Sunrun's and NRDC's Answers, if the Commission does not deny the Petition, Sunrun and NRDC request the Commission deny PPL's request for an administrative litigation process and instead initiate a statewide proceeding to address the numerous technical and policy issues attendant to the adoption of advanced inverter standards and related issues raised in PPL's Petition. Sunrun and NRDC respectfully request that clarification of the process for addressing the foundational issues discussed herein be set for discussion at the prehearing conference.

Respectfully submitted this 30th day of August 2019.

/s/ James M. Van Nostrand

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Management Plan

Docket No. P-2019-3010128

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the following document, the Motion for Leave to Reply and Reply of Sunrun Inc. and Natural Resources Defense Council to PPL Electric Utilities Corporation Letter Response and Request for Hearing, 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:

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Dated this 30th date of August 2019.

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