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October 23, 2023

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

Re: **Utilization of Storage Resources as Electric Distribution Assets**
Docket No. M-2020-3022877

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's Comments for filing in the above referenced proceeding.

If you have any questions regarding the information contained in this filing, please feel free to contact me or Megan Good at mgood@duqlight.com or 412-393-6496.

Sincerely,

A handwritten signature in blue ink, appearing to read "LBQ", is written over a light blue horizontal line.

Lindsay A. Baxter
Manager, Regulatory and Clean Energy Strategy

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Utilization of Storage Resources as Electric :
Distribution Assets : Docket No. M-2020-3022877
 :

**COMMENTS OF
DUQUESNE LIGHT COMPANY**

I. INTRODUCTION

On August 24, 2023, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) entered a Proposed Policy Statement Order (“Proposed Policy Statement”) regarding the utilization of storage resources as electric distribution assets. The Proposed Policy Statement includes definitions for “electricity-storage asset” and “non-wires solution” and provides proposed language encouraging consideration of such assets as part of electric distribution company (“EDC”) system planning.

Interested parties were invited to submit written comments within thirty (30) days of publication in the *Pennsylvania Bulletin*, with reply comments due forty-five (45) days following publication. The policy proceeding was published September 23, 2023, 53 Pa.B. 5926. Accordingly, Duquesne Light Company (“Duquesne Light” or “Company”) hereby submits these comments for consideration.

II. BACKGROUND

At its November 19, 2020 Public Meeting, the Commission adopted a motion introduced by then-Chairman Gladys Brown Dutrieuille initiating a policy proceeding regarding potential utilization of electricity storage within EDC resource planning. As a result, on December 3,

2020, the Commission issued a Secretarial Letter seeking stakeholder input on a series of questions regarding applications for electricity storage, defining characteristics and thresholds, and prudence of inclusion in EDC distribution resource planning.

Following review of those comments, on August 12, 2021, the Commission issued a subsequent Secretarial Letter, acknowledging broad support for electricity storage as a potential avenue for improving distribution reliability and resiliency. The August 2021 Secretarial Letter sought further stakeholder feedback on a series of more detailed questions surrounding electricity storage. Following this second round of public comment, the Commission issued the Proposed Policy Statement.

Duquesne Light is a public utility as the term is defined under Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, and is certificated by the Commission to provide electric distribution service in portions of Allegheny County and Beaver County in Pennsylvania. Duquesne Light provides electric service to over 600,000 customers in and around the City of Pittsburgh.¹ As an EDC, Duquesne Light is subject to this policy proceeding and appreciates the opportunity to provide comments to the Proposed Policy Statement.

III. COMMENTS

Duquesne Light commends the Commission for continuing this proceeding with a Proposed Policy Statement. As noted in the Company's comments to the December 2020 Secretarial Letter, "the time is right to explore how energy storage can be utilized to benefit customers and the grid."² At that time, the Company highlighted priorities that could be

¹ Duquesne Light is a member of the Energy Association of Pennsylvania, which is also submitting comments at this docket. In addition to the positions stated herein, Duquesne Light generally supports the positions articulated in EAP's comments to the extent they are consistent with the comments submitted by the Company.

² See *Comments of Duquesne Light Company*, Docket No. M-2020-3022877, submitted Feb. 18, 2021, at 2.

supported through electricity storage – specifically, the increased need for reliability, a growing demand for clean energy and decarbonization, and a focus on affordability.³ Utilization of electricity storage as a distribution asset has the potential to support all three priorities. As noted by then-Chairman Dutrieuille and then-Vice Chairman Stephen M. DeFrank in their August 24, 2023 Joint Statement in this proceeding, the interconnection of distributed energy resources, the acceleration of electric vehicle adoption, and the increasing electrical demand of data centers have required a shift in distribution grid dynamics, with the potential use of electricity storage as a way to manage these changes.⁴ By encouraging EDCs to consider electricity storage and non-wires alternatives in their distribution planning, the Commission has shown the value in looking beyond traditional distribution system upgrades to address problems, increase resiliency and support a clean energy future for all.

The Company supports the use of a Policy Statement to encourage EDC consideration of electricity storage in distribution planning. The Proposed Policy Statement strikes the appropriate balance of providing encouragement and guidance, while not dictating specific constraints or parameters. A Policy Statement allows flexibility for the EDCs to determine how best to modernize and invest in their distribution grids, increasing reliability and resiliency for customers, while recognizing the continuing evolution in technology.

Duquesne Light provides the following comments to the specific language in the Proposed Policy Statement.

³ *Ibid.*

A. § 69.XXX1. Definitions

The Commission includes in its Proposed Policy Statement two definitions:

Electricity-storage asset. A resource capable of receiving electric energy from the grid and storing it for later injection of electricity back to the grid.

Non-wires solution. An Electric Distribution Company (EDC) investment and operating practice that can defer or replace the need for specific transmission and/or distribution projects, at lower total resource cost, by reliably reducing transmission congestion or distribution system constraints at times of maximum demand in specific grid areas. This term is synonymous with “non-transmission alternative” or “NTA” which is the term used by the National Regulatory Research Institution (NRRI).

Duquesne Light generally supports the inclusion of definitions for these two terms, with suggested changes to the “non-wires solution” definition. The Company recommends removal of the phrase “at lower total resource cost” as this language implies use of a Total Resource Cost (TRC) Test, such as that used for the Act 129 Energy Efficiency and Conservation Programs. As noted in the Company’s November 2021 Comments, in assessing non-wires solutions, there is a difference between cost and value.⁵ The TRC Test such as that utilized in Act 129 Programs would fail to appropriately assess the value of non-wires solutions. There are times when a non-wires solution may not be the lowest cost solution, but provides the best value. Instead, Duquesne Light reiterates that the potential value of these non-wires solutions should be compared to the value of more traditional alternatives, in order to ensure EDCs can account for benefits like resiliency, enabling clean energy, timeliness to meet customer needs, reduced disruption to the community, reduced need to access private property for infrastructure, reduced environmental disruptions, improved aesthetics, and equity.⁶

⁴ See *Joint Statement of Chairman Gladys Brown Dutrieuille and Vice Chairman Stephen M. DeFrank*, Docket No. M-2020-3022877, Aug. 24, 2023.

⁵ See *Comments of Duquesne Light Company*, Docket No. M-2020-3022877, submitted Nov. 29, 2021.

⁶ *Id.* at 7-8.

It appears the Commission agrees with Duquesne Light's comments regarding value versus cost and avoiding a prescribed TRC Test in the Proposed Policy Statement order when it states: "Regarding cost effectiveness, the Commission declines to adopt a specific cost-effectiveness test or methodology in this proceeding. EDCs may consider using electricity-storage and would need to justify the costs like any other traditional infrastructure upgrade."⁷ To avoid confusion, the language in the non-wires solution definition should be amended to remove the phrase "at lower total resource cost."

B. § 69.XXX2. Electricity-Storage as a Distribution System Asset

The Commission proposes the following:

The Commission acknowledges that electricity-storage assets can assist in various engineered reliability solutions. As such, the Commission recognizes that electricity-storage assets can be used by EDCs to maintain or to increase the reliability or the resilience of the electric distribution system. The Commission encourages the consideration of such assets when cost effective and proper, specifically as an alternative non-wires solution. The Commission encourages EDCs to consider electricity-storage assets as part of their system planning.

Duquesne Light generally agrees with this language and the Commission's encouragement to EDCs to explore non-wires solutions in distribution planning. The Company requests clarity on the use of the phrase "cost effective and proper" in this section, as it is unclear what would be considered "proper" when considering electricity storage asset use. As previously noted, the value of such an asset should be compared to the value of a traditional solution. In determination of such asset use, an EDC would consider its prudence, from the standpoint of both cost-effectiveness and its appropriateness in addressing the issue to be resolved. The Company recommends replacing the "cost effective and proper" language with "prudent." This amended

⁷ Proposed Policy Statement at 14.

language would appear to support the Commission’s language in the Policy Statement Order, as previously referenced: “EDCs may consider using electricity-storage and would need to justify the costs like any other traditional infrastructure upgrade.”⁸ Traditional infrastructure upgrades are performed based on need and prudence. Therefore, Duquesne Light recommends amending the language as outlined.

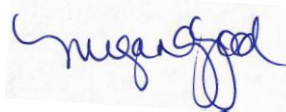
IV. CONCLUSION

Duquesne Light commends the Commission for proceeding with a Policy Statement encouraging use of electricity storage assets as distribution assets. The Proposed Policy Statement, subject to the Company’s proposed changes, strikes the appropriate balance in providing guidance to ensure projects benefit customers, while remaining flexible so as not to constrain the versatility of electricity storage. Allowing the use of electricity storage assets will support reliability, resiliency, and ever-evolving grid needs ensures distribution planning meets the needs of customers today and in the future.

Respectfully submitted,



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DATE: October 23, 2023

⁸ *Id.*