

IURC Implementation re: FERC Order 2222
November 9, 2023 Roundtable Discussion at IGCS, Conference Room B

Discussion topics: next steps

SUMMARY NOTES:

Attendees (alphabetical by organization and names):

AES Indiana

- Matt Fields
- Nick Grimmer
- Mark Houdek
- Shelby Leisz

Citizens Action Coalition of Indiana (CAC)

- Ben Inskeep
- Kerwin Olson

Collaborative Utility Solutions

- Chris Hickman

Duke Energy Indiana, LLC

- Nancy Connelly
- Andrew Wells

Hoosier Energy

- Ryan Henderson
- Chad Jenkins
- Matt Randall

Hoosier Environmental Council

- Delaney Barber
- Sam Carpenter

Indiana Michigan Power Company (I&M, AEP)

- Caleb Loveman
- Dona Seger-Lawson

Indiana Office of Utility Consumer Counselor (OUCC)

- Scott Jones

Indiana Utility Regulatory Commission staff:

- Brad Borum
- Rich Brunt
- Steve Davies
- Beth Heline
- David Johnston
- Ren Norman
- Dale Thomas

Northern Indiana Public Service Company, LLC (NIPSCO/Nisource)

- Jeff Kelley
- Robbie Sears

Solarize Indiana / EMCC

- Mike Mullett

Solar United Neighbors

- Zach Schalk

Southern Indiana Gas and Electric Company (dba CenterPoint Energy Indiana South)

- Jeff Earl

Wabash Valley Power Alliance (WVPA)

- Dan Phillips
- Lauren Schuettler
- Joan Soller

Acronyms used:

- 2222 – FERC Order 2222
- DER – distributed energy resource
- DR – demand response
- EDC – electric distribution company; term used by ISOs/RTOs
- EDG – excess distributed generation (see Indian Code chapter 8-1-40)
- EE – energy efficiency
- EPRI – Electric Power Research Institute
- EV – electric vehicle
- FERC – Federal Energy Regulatory Commission
- IAC – Indiana Administrative Code
- ISO – independent system operator (aka RTO)
- IURC – Indiana Utility Regulatory Commission
- MISO – Mid-continent Independent System Operator
- NERC – National Electric Reliability Corporation; sets standards to be approved and enforced by FERC
- OUCC – Indiana Office of Utility Consumer Counselor
- PJM – PJM Interconnection LLC
- RDER – DER that is connected and mixed in with load, such as at a house
- REMC – rural electric membership corporation – Indiana’s electric cooperatives
- RERRA – relevant electric retail regulatory authority; in Indiana, this is the IURC and can also be the boards of municipal utilities and of REMCs.
- RTO – regional transmission organization – Indiana has electric utilities in two RTOs – MISO and PJM
- UDER – DER that is connected to a dedicated utility facility.

Introductions:

Sign in sheet; request to be added to email distribution list.

Discussion:

What are the possible next steps? Investigation, rulemaking, additional discussion?

Commission investigation is an option – we have had discussion, education, and prepared to file written testimony regarding what’s necessary and what do we need. Through an investigation, Commission staff can get guidance and marching orders, and it would be nice to have some direction regarding the formal rulemaking (which will have more stakeholder process).

What questions could be answered through an investigation? public utility status, rulemaking(s), etc.

IURC General Counsel could draft a request for investigation, which would outline the areas of consensus or disagreement.

There will likely need to be multiple rulemakings – some items could be dealt with more easily, such as interconnection rule, IEEE 1547-2018, demand response only circumstance (not injecting into system); these could be dealt with upfront or concurrently with an investigation.

Investigation – what am I going to have my witnesses say?

It may be the easier path forward is to do the rulemakings, smaller processes; may be have investigation later. Just do the items that are ripe now.

Investigation may be too regimented.

Walk before we run – do rulemaking first.

Collaborative framework of rulemaking is preferred.

Investigation – what are we going to opine on?

We are also waiting for more clarity from RTOs and FERC.

What rulemakings are necessary to crawl before we walk? Which ones go first?

Interconnection rule and IEEE 1547 – should be done together – not separate from the interconnection piece.

In Ohio, they had technical roundtables every couple of months, discussing mainly the interconnect piece of this; don't need to get that far into the weeds of 1547 to see what applies to the interconnection rule and what applies to FERC Order 2222

Interconnection rule doesn't need to be changed that much.

Look at New York or California – does that even apply to Indiana?

Aggregation applications – is there any part of that that needs to be addressed in the interconnection rule or not?

Interconnection is totally distinct from aggregation. Interconnection can apply to those who aggregate or not aggregate. EVs and batteries are potentially injectors - do they need to be included in interconnection rule? There is a need to upgrade standards. A separate aggregation rule could include application, operational requirements, and DR perspective; then will pull in other business modes (DER injection) as we go along. Base rule is being developed, as we develop more. Maximize low hanging fruit.

IEEE 1547-2018 update fits into the interconnection rule – empower the utilities to apply the national standard.

IEEE 1547 working group is working on revision for 2025.

First step in interconnection is the application – what part of the tariff would you like to participate under? Wholesale box to check? Review and application process already embedded in the interconnection rule.

Aggregation rule needs to recognize that the proponents of the aggregation may change; the way in which you participate is in the aggregation. How customers interact with one another in aggregations? That will need to be reviewed differently. Changes in aggregation may need to be reviewed. We should enable the individual customers to be in the aggregations they want to be in, but aggregation must be reliable.

Appreciate opportunities for stakeholders to give input. The companies that do aggregations haven't been in Indiana; they need to be involved and get their perspectives. How to get their perspectives?

Structure question – regarding FERC Order 719 and the IURC investigation 43566, the DR aggregators work with the EDCs – CPower complimented that structure, but has ideas to make it work better. Do we want tariffs? Do we just need rules?

One aspect of an investigation is that we would have a firm answer regarding whether aggregators are public utilities in Indiana.

We need to encourage further participation by the aggregators – including the investigation about their public utility status.

Another option is for a generic informal investigation by the IURC – a non-docketed process before the investigation – but this is a fundamental change. In the past (1980's or 1990's), the IURC has done a more informal process with interested parties, an executive committee, a designated investigator; inviting people and getting them a seat at the table – non-adjudicatory, non-litigation. There's a non-utility side of the meter, but also non-utility side of the grid – forecasts are that most DER will be on the distribution part of the grid. State jurisdictional v. FERC jurisdictional. Possible anti-trust issues. Suggest informal investigation, with an outside person who is nationally recognized to help facilitate/investigate, and then formal investigation.

Question – not many states are willing to cede distribution authority to FERC – the states to need to play a pro-active role.

How to change or use what the IURC did in the 43566 investigation regarding DR?

Continue this process, but get more specific regarding specific topics. Like to have dialogue and discussion.

Have more of these discussions.

If need to answer public utility question, then need to have an investigation on that piece, just to answer that base question.

We can do that investigation, and still have more specific rule/rulemaking discussions.

More clarity from IURC staff would help; probably need more discussion.

Keeping discussions going would be great.

What's going around the country? NERC – rules coming regarding data and structure that will be required for reliability reasons. Clear definitions – please define DER – 100 MW is transmission, not distribution – clear separation for DER. Establish a framework to move forward under – 4 broad categories. DOE and LBNL on Missouri whitepaper – DR is what Missouri just did with just commercial DR to understand coordination and education. List of key issues in the categories – clear issues needed. Publish framework and how will move forward. Collaborative Utility Solutions will be publishing this framework for states to consider; possible collaborative website for all states and utility filings. All coming early next year from DOE. Everyone's going to be doing the same thing; everyone is having the same conversations. Every single vendor for every single system is going to be doing this same thing at the same time. Keep interconnection and aggregation reviews separate. Industry forum for invertors – looking for states where they can dump their old crap into where IEEE 1547-2018 has not been adopted. Adopt IEEE 1547-2018. Maryland is having a massive process in which they are trying to identify all of the utility settings. Better to let utilities decide.

Use case is a very important framework, from an investigative standpoint. Fundamental – dealing with laws of physics and with technology(ies) that's incredibly innovative and changing. Be careful with defining regulatory terms. Standards being defined by the laws of physics. Not something regulators are going to control, but need to adapt and rapidly, due to necessity and innovation.

End result should best serve customers and utilities, to assure the utilities are empowered to understand what the physics of the aggregation are doing to their systems and customers, and not negatively affect the reliability of their public utility systems. Recognizing the business case of the retail customers, price signals, and take into consideration the reliability of the system. Customers must not hurt the system. Before technology overruns the ability of the utilities to assure the reliability of their systems.

Make sure you're balancing customer participation and managing reliability.

Conflict resolution processes will be needed in the aggregation rule.

Utilities work hard at reliably and safely operate their system. But also work with customers. Aggregators' voice is important to this 2222 implementation process.

Build in remote participation to future discussions.

Virtual participation can chill conversation in the room, because attendees don't know who is on-line.

Virtual option would be good. Need tech to make it work well. Requirement that everyone on-line introduces themselves.

Generic – analog to the competitive local exchange carrier, there's more than utilities and customers. Indiana Code includes 8-1-2.5 and 8-1-2.6; petitions for declination; because offering at wholesale or not offering public utility service. Injections into the mix – those will be qualifying facilities – there will be use cases you haven't seen before.

We would have more participation if virtual.

In person has some value. Hybrid is done frequently. Utilities have facilities. Commercial facilities.

[BREAK]

High quality virtual option

Continuing technical conversations – review 43566 DR structure, understanding what other states are doing and framework, market participation and start defining.

Suggest continuing this process – when we have the next one, IURC staff should have more formal thoughts on next steps such as investigation and rulemakings; can we keep collaborative technical discussions during any formal process? Take bites at the apple, rather than all-encompassing process. Interconnection rule and still have this process?

When it comes to procedures, IURC has broad range of discretion. Informal investigation with free flow of information. Not necessarily hard lines. Don't get stuck looking at trying to do all of it (injection and withdrawal) at the same time. Open access distribution that's analogous to open access transmission.

Consensus – continue this stakeholder process on specific topics, perhaps have an investigation on public utility status, rulemaking on IEEE 1547-2018

Hybrid – can manage questions on-line? Have a more detailed agenda.

Not invite only – but this should be public – sign up okay

Registration for online option.

Thanks to everyone for your interest and participation!

Next Steps:

To be determined

- Comments may be submitted at any time to URCComments@urc.in.gov