

Comments of the Hoosier Environmental Council on the Importance of Developing a Regulatory Framework to Enable Distributed Energy Resources (DERs) in response to FERC order 2222

Submitted to the Indiana Utility Regulatory Commission (IURC)

July 14, 2025

The Hoosier Environmental Council (HEC) appreciates the opportunity to submit comments to the IURC regarding the development of a comprehensive regulatory framework to support Distributed Energy Resources (DERs). As Indiana faces historic and unprecedented electric load growth, it is vital that the state embrace smart, clean, and affordable solutions. DERs such as localized solar paired with battery storage, demand response, and energy efficiency, are among the most effective tools to ensure an affordable, reliable, resilient, environmentally sustainable, and stable energy future.

The Case for Accelerated Investment in DERs

Indiana is at a critical inflection point. Load growth forecasts underscore the urgent need for flexible, cost-effective resources. DERs represent one of the fastest and most affordable strategies for addressing peak load, mitigating grid stress, and reducing reliance on expensive, fossil fuel-based peaker plants. These localized resources can bring real grid benefits by shaving peak demand, enhancing reliability, and improving environmental performance.

Yet, Indiana significantly lags in the deployment of DERs. Since the end of full retail net metering, only about 17 megawatts (MW) of rooftop solar have been deployed across the entire state — a fraction of what is possible and far below our neighboring states. This underinvestment is not just a missed opportunity for new generation resources, emissions reductions and job creation — when paired with batteries, it is a missed opportunity to deliver real energy cost savings, energy security and choice to Indiana's households and businesses.

Critical Components for a DER-Ready Regulatory Framework

To reverse this trend and enable DERs to flourish, HEC encourages the IURC to take strong and thoughtful action to modernize Indiana's regulatory framework. HEC believes the following elements are essential to successful DER deployment:

- **Customer Data Ownership and Access:**
Customers must have the right to own and control their energy usage data, and to grant access to third-party DER aggregators. Empowering consumers to participate in the energy economy starts with control over their own information.
- **Aggregator Access and Data Standardization:**
Aggregators — who play a key role in bundling and optimizing DER services — need secure, efficient,

and standardized access to customer data held by utilities. Data-sharing protocols should be streamlined, consistent, and designed to protect customer privacy while enabling market participation.

- **Streamlined and Standardized Interconnection Processes:**
One of the greatest barriers to DER adoption is a lack of clarity, transparency, and efficiency in utility interconnection processes. Uniform, statewide standards for interconnection are needed to ensure fairness, predictability, and speed of deployment.
- **Battery Storage Incentives for Grid Benefits:**
Localized battery storage, whether in homes, businesses, or community hubs, provides essential services such as peak shaving, emergency backup, and load balancing. The regulatory framework should create meaningful incentives for battery storage, recognizing their potential to displace more expensive generation and infrastructure upgrades. Battery resources made available through EV's with bi-directional charging will also be a critically important asset and therefore should be included in incentive structures.
- **Time-of-Use (TOU) Pricing with Strong Consumer Incentives:**
TOU pricing can incentivize grid-beneficial behavior and increase DER value. But to succeed, TOU structures must deliver real savings, be well-marketed, and use opt-out design to ensure wide participation. Customers should clearly see the benefits in their bills.
- **DER Planning within Integrated Resource Plans (IRPs):**
Just as traditional generation and emerging technologies like GETs (as addressed under SEA 422) are evaluated in the IRP process, DERs must also be considered and incorporated when benefits align with the five pillars. Resource procurement obligations should not bypass this critical planning process. DERs should be valued for both their avoided costs, grid services and energy security they provide homes and communities.
- **A Consumer-Driven Energy Future:**
In the midst of an affordability crisis in the utility sector, the IURC must ensure that ratepayers have access to the lowest-cost reliable solutions. DERs — when deployed at scale and supported with sound regulation — offer long-term savings, energy independence, and resilience. Indiana needs to empower consumers to choose technologies that work for them.

Conclusion

The Hoosier Environmental Council strongly urges the IURC to develop a regulatory framework that supports the scaling of Distributed Energy Resources. DERs are indispensable to Indiana's energy future — not only for their environmental benefits, but also for their ability to offer affordable, flexible, and consumer-driven energy solutions. With thoughtful action now, the Commission can lay the foundation for a grid that is modern, shares benefits among ratepayers, and more quickly and affordably addresses load growth demands.

Respectfully submitted,
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