Indiana Michigan (I&M) Power

Comments on Indiana Utility Regulatory Commission (IURC)

Rulemaking for FERC Order 2222

Indiana Michigan Power Company ("I&M" or "Company") appreciates the opportunity to provide comments to the Indiana Utility Regulatory Commission ("IURC") on Distributed Energy Resources and rulemaking for implementation of FERC Order 2222.

Distributed Energy Resource (DER) Aggregator – IURC Certification

1. The Commission should register all DER Aggregators to do business in Indiana. Registration should include:
    a. Legal business name
    b. Tax ID
    c. Description of services provided to end use customers
    d. Location (utility service territory) of services provided
    e. Demonstration that all PJM/MISO DER Aggregation requirements have been met
    f. Contact information for the DER aggregator for customers, Commission, utility inquiries
2. Commission should provide dispute resolution process for disagreements between DER Aggregators and their customers
3. Commission should explicitly give utilities the right to reject specific DER Facilities from being part of the DER Aggregation and state the reasoning which can include incomplete or conflicting information.
4. Rules should give the Commission authority to de-certify DER Aggregators that do not follow Commission rules, have unauthorized sales/aggregation practices, or have violated the PJM tariff.
5. Commission should consider whether DER Aggregators should be required to pay a registration/license fee to the Commission.
6. Does the Commission want to regulate the prices DERs are paid or whether or not the DER Aggregators have min contract terms or exit fees?

DER Aggregation Registration with the utility

- The Commission should establish rules that require utilities to (a) review each proposed DER Facility in the planned DER Aggregation to confirm that each generator or exporting storage resource is already properly approved and under an active Interconnection Agreement with the utility, (b) review/model proposed DER Aggregation from a distribution engineering perspective and (c) review DER Aggregation to ensure DER is not double

counted or already included in another DER Aggregation or retail tariff program before DER Aggregation is registered with PJM.

- Proposed DER Aggregation application to the utility should include the following:
    a. Distribution utility for each component/DER in the aggregation
    b. Account numbers for each component/customer (EDC Account Number retail premise, unique EDC reference number for point of interconnection), tariff code identifier
    c. Description of the DER Facility intended to be part of the DER Aggregation
        i. Address and/or utility meter number
        ii. Resource type (PV, Stationary Battery, HVAC, Pool Pump, Electric Vehicle Charger, Synchronous generator, Parallel generator, Island generator, Water Heater, General Appliances, Other)
        iii. Total capacity of DER resource
        iv. Committed capacity (to the DER Aggregation)
    d. Confirmation of injection capability at the Point of Common Coupling (PCC) and maximum injection capability at that point (utility meter)
    e. Expected operating profile of the DER Aggregation and each member component
    f. Indication that the Aggregator has verified the proper working condition of the asset and the existence of the Interconnection Agreement with the utility where appropriate (for example an Interconnection Agreement would not be required for a demand response program)
    g. Which communication standards the devices are certified to meet, if any (examples include SunSpec ModBus, IEEE 1815 (DNP3) IEEE 2030.5 (SEP2), IEC 61850)
- Rules should allow the utility to charge the DER Aggregator for system studies, administrative fee for double counting analysis, and charges for IT programs/systems necessary to coordinate DER Aggregation.
- Rules should require that each DER Aggregation have a unique identifier with the Utility in order to simplify the dual enrollment/dual counting evaluations necessary.
- Limit on how frequently a component DER could change registration (e.g., cannot change aggregator within 1 year, changes to align with Delivery Year)
- Rules should allow utilities to report DER Aggregator violations to the Commission and for the Commission to take action to enforce the rules.
- Once the application is identified as complete by the utility, the utility should send notification (e.g., letter, email) about pending DER Aggregator registration that would change customer's current utility enrollments before the technical analysis begins. For example, this would allow a net metering customer to remove themselves from DER aggregation to prevent the DER from being counted as retail offset AND a DER resource in an Aggregation (preventing double counting).
- Rules should allow utilities to REMOVE customers from Aggregations by customer consent.
- Rules should allow utilities to respond to real-time operational conditions arising from the DER participating in the Aggregation. Such actions might include:
    a. requesting adjustments to inverter or control settings at the component DER level (i.e. change ramp rate, enable volt-watt function, etc.),
    b. adjusting the participation capacity of component DER,

c. *requesting DER Aggregator to immediately stop participation with component DER or full Aggregation, or*
d. *the utility overriding the component DER by disconnecting the DER at the PCC, POI, or utility meter.*

- Rules should allow utility time to conduct a technical analysis before approving the DER Aggregation.
- If the DER Aggregation changes its operational profile after it is approved by the utility, the rules should allow for a utility to require a new technical analysis.
- Rules should establish minimum cyber security requirements for aggregators and aggregation software platforms that comply with industry standards (e.g., NIST, ISO/IEC 27001).
- The DER Aggregator would be required to sign a Distribution Interconnection Agreement for Wholesale Market access across the distribution system and identifying the delivery points impacted by the Aggregation.
- Rules should require DER Aggregators respond immediately to utility override orders for component DER or the entire aggregation in response to managing grid conditions.
- Rules should require the DER Aggregators make available to the utility the day ahead schedules for the DER Aggregation resources per the cleared bid.
- Rules should require the DER Aggregators submit to the utility any component DER planned outages.
- Rules should require the DER Aggregators establish data exchanges with the distribution utility to support real-time communication needs of the utility.
- Rules should require the Component DERs registering with an Aggregation meet the requirements of the latest utility interconnection requirements where necessary to support improved reliability of the distribution grid.

Utility DER database

1. Utilities will need to install back office systems to keep track of DERs and DER Aggregations that coordinate with their billing system.
2. Utility DER database will ensure customer/DER personal identifiable information (PII) is protected just as it does with customer PII.
3. Some/most of the cost of the database should be borne by DER Aggregators and/or DERs.
4. Timing of when Indiana utilities need to have systems in place to accommodate DER Aggregations.

Utility DER Aggregation Tariff

1. Existing DR Aggregation tariffs should be maintained as they provide benefits to all customers as it contributes to I&M's capacity plan without markups by third parties.
2. I&M believes a DER Aggregation tariff might be necessary, but it is premature to know what types of provisions and obligations should be included in the tariff given the market has not

been fully developed. In order to develop appropriate tariffs, the following aspects need to be better understood:

a. How will DERs be paid by DER aggregators? Utility bill credit – if so how does utility get reimbursed? Who pays for the bill programming? Monthly checks?
b. What are the penalties the DER aggregator will incur if they do not operate in compliance with distribution grid protocols?
c. Impacts on utility's capacity needs? If the DERs are no longer offsetting utility capacity needs how does that change the utilities capacity plans (FRR)? Should DER Aggregation be limited to a specific delivery year like other PJM DR products?
d. Is there a cap on DER Aggregation participation in Indiana until financial and operational impacts are known?

3. Existing Demand Response, Net Metering, and Excess Distributed Generation riders need to be updated to state that the customer cannot also be enrolled in PJM DER Aggregation to avoid double counting.