

Indiana **ENERGY**
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Vectren Energy Delivery of Indiana, Inc.

June 28, 2017

Ms. Beth Heline
General Counsel
Indiana Utility Regulatory Commission
101 W. Washington Street, Suite 1500 E
Indianapolis, IN 46204

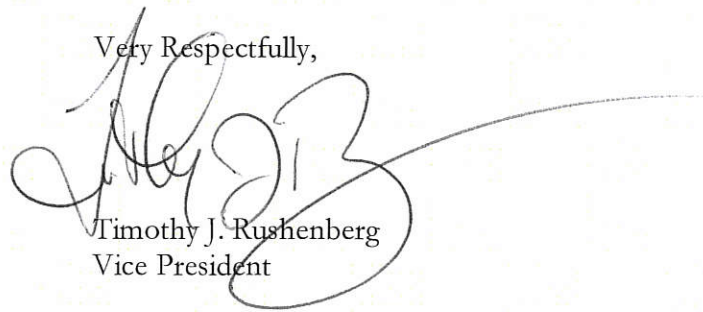
Sent via email: URCComments@urc.in.gov
BHeline@urc.IN.gov

Dear Ms. Heline:

On behalf of the electric utility members of the Indiana Energy Association (Duke Energy, Indiana Michigan Power, Indianapolis Power & Light, Northern Indiana Public Service Co., and Vectren Energy Delivery of Indiana, Inc.), the IEA is hereby submitting the enclosed comments in response to the request from the Indiana Utility Regulatory Commission for questions, concerns, and examples regarding the Implementation of Net Metering Legislation (SEA 309) and the Technical Conference scheduled for July 20, 2017.

Thank you for considering our comments. If you have any questions or comments, please do not hesitate to contact me at (317) 607-7791 or trushenberg@indianaenergy.org.

Very Respectfully,



Timothy J. Rushenberg
Vice President

THE VOICE FOR INDIANA ENERGY

**IEA Electric Utilities' Proposed Guidelines for Implementation of SEA 309's Grandfathering Provisions
Relating to Net Metering
(for Level 1¹ and Level 2² Interconnections)**

If a Customer has installed or installs a net metering facility, as defined in 170 IAC 4-4.2-1(k), before January 1, 2018, and is participating in a Utility's net metering tariff on December 31, 2017, that Customer may continue to participate in the net metering tariff (*i.e.*, may receive a full retail rate credit for excess generation exported to the Utility) until the earlier of (1) a removal or replacement of the Customer's net metering facility,³ or (2) July 1, 2047. See new Ind. Code § 8-1-40-14.⁴

Accordingly, to qualify for "grandfathering," **the Customer must achieve two key milestones by December 31, 2017:**

- (1) **The Customer must have its net metering equipment installed.** The Oxford English Dictionary defines installed as "to place in position or connect for service or use." As used in SEA 309, the Customer's net metering equipment must be in place and ready to be operated – and such installation must be consistent with an interconnection application submitted to and approved by the Utility pursuant to the IURC's interconnection rules (170 IAC 4-4.3), as well as consistent with SEA 309, the IURC's net metering rules (170 IAC 4-4.2) and the Utility's net metering tariff; and
- (2) **The Customer must be participating in its Utility's net metering program and tariff.** Sec. 21(a) of SEA 309 states "Subject to subsection (b) and sections 10 and 11 of this chapter, after June 30, 2017, the commission's rules and standards set forth in: (1) 170 IAC 4-4.2 (concerning net metering); and (2) 170 IAC 4-4.3 (concerning interconnection); remain in effect and apply to net metering under an electricity supplier's net metering tariff and to distributed generation under this chapter." Therefore, a Customer will be participating in the net metering program if, consistent with the IURC's interconnection rules (170 IAC 4-4.3), the Customer has (a) submitted to the Utility a complete application for

¹ Per IAC 170 4-4.3-6(a), a Level 1 interconnection involves customer/generators with distributed generation facilities that are inverter-based having nameplate capacity of 10 kilowatts or less and are certified in accordance with 170 IAC 4-4.3-5.

² Per IAC 170 4-4.3-6(a), a Level 2 interconnection involves customer/generators with distributed generation facilities that have nameplate capacity of 2 megawatts or less and are certified in accordance with 170 IAC 4-4.3-5. (But note that per 170 IAC 4-4.2-1(j), a net metering facility may not exceed 1 megawatt.)

³ The replacement of some or all of the components of a Customer's net metering facility – for example, due to damage or normal wear and tear – will be considered to be a repair, rather than a replacement that would terminate grandfathering, so long as the facility retains the same nameplate capacity. An increase in the facility's nameplate capacity will not be eligible for net metering service and will be assumed to be the source of the base amount of excess generation.

⁴ SEA 309 creates a second grandfathering opportunity and these guidelines will also apply for this second grandfathering opportunity: *If a Customer installs a net metering facility, as defined in 170 IAC 4-4.2-1(k), after December 31, 2017 but before the date the Utility's net metering tariff terminates pursuant to SEA 309 (i.e., the earlier of July 1, 2022, or the date the Utility's aggregate net metering nameplate capacity reaches 1.5% of its most recent peak summer load), that Customer may continue to participate in the net metering tariff (i.e., may receive a full retail rate credit for excess generation exported to the Utility) until the earlier of: (1) a removal or replacement of the Customer's net metering facility; or (2) July 1, 2032. See new Ind. Code § 8-1-40-13.*

interconnection, (b) received from the Utility notice that its application is complete,⁵ (c) received notice from the Utility that the application meets the required interconnection criteria outlined in 170 IAC 4-4.3-6(c) through (h)(for Level 1 interconnections) or in 170 IAC 4-4.3-7(c) through (o)(for Level 2 interconnections),⁶ (d) received from the Utility an executable interconnection agreement,⁷ and (e) returned to the Utility an executed interconnection agreement. Note that under the Commission's interconnection rules, these requirements will require a minimum of 35 business days (more if the Customer's application is incomplete or denied and must be re-submitted).

Grandfathering is contingent upon the Customer meeting all applicable requirements of SEA 309, the IURC's net metering and interconnection rules, and the Utility's net metering tariff, in addition to achieving the above two key milestones by December 31, 2017. Such requirements include, but are not limited to, the following:

- The net metering facility must be a renewable facility, as defined by Ind. Code 8-1-37(a)(1) thru (a)(8)⁸ (such as wind, solar, photovoltaic, biomass);
- The Customer must be in good standing with the Utility, as defined by 170 IAC 4-4.2-1(e);
- The Customer's net metering facility must be sized so as to be used primarily to offset all or a part of the Customer's own annual electricity requirements, and in any event may not exceed 1 megawatt;
- The net metering facility must be located on the Customer's premises;
- The net metering facility must be owned and operated by the Customer;
- The Customer must have liability insurance and must indemnify the Utility, consistent with 170 IAC 4-4.2-8; and
- The Customer must comply with the Customer-Generator Interconnection Standards and deadlines set out in 170 IAC 4-4.3 (and any applicable Utility tariff requirements).

The Utilities will work to meet the timeframes set out in the Commission's interconnection rules as expeditiously as possible. **In the event that the Customer achieves the two key milestones discussed above, and the Utility is unable to complete its inspections and upgrades prior to January 1, 2018, the Customer will be "grandfathered" -- subject to the Customer meeting all other requirements.**

All local zoning, permitting, homeowners' association, or similar approvals are the sole responsibility of the Customer.

⁵ The IURC's Level 1 and Level 2 interconnection rules require that a Utility must notify a Customer whether an application is complete **within 10 business days** of receiving the Customer's application. See 170 IAC 4-4.3-6(i).

⁶ The IURC's interconnection rules require that a Utility must notify a Customer whether the Customer's application meets the required interconnection criteria outlined in the IURC's interconnection rules **within 15 business days** after the Utility notified the Customer whether the application was complete. See 170 IAC 4-4.3-6(j) and 170 IAC 4-4.3-7(q).

⁷ The IURC's interconnection rules require that a Utility send an executable interconnection agreement to a Customer **within 10 business days** after the Utility notified the Customer that its application meets the required interconnection criteria. See 170 IAC 4-4.3-6(k) and 170 IAC 4-4.3-7(q).

⁸ Or other emerging renewable technologies approved by the IURC.