

Indiana ENERGY Association

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Duke Energy

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Indiana Michigan Power

Indiana Natural Gas Corp.

Indianapolis Power & Light Company

Midwest Natural Gas Corp.

Northern Indiana Public Service Co.

Ohio Valley Gas Corp.

South Eastern Indiana Natural Gas Co., Inc.

Sycamore Gas Co.

Vectren Energy Delivery of Indiana, Inc.

THE VOICE FOR INDIANA ENERGY

September 13, 2017

Via E-Mail

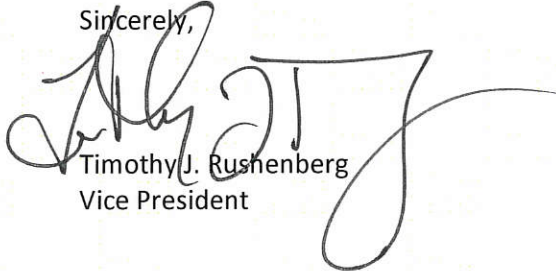
Ms. Beth E. Heline
General Counsel
Indiana Utility Regulatory Commission
101 W. Washington St., Suite 1500 East
Indianapolis, IN 46204

Dear Ms. Heline:

On behalf of the investor-owned electric utility members of the Indiana Energy Association, the IEA hereby submits the attached comments in response to the additional questions and comments submitted to the Commission concerning GAO 2017-2.

Thank you for considering our comments. If you have any questions or comments, please do not hesitate to contact me at (317) 632-4406 or trushenberg@indianaenergy.org

Sincerely,



Timothy J. Rushenberg
Vice President

TJR/kw

Attachment – 4 pages

Comments of the Indiana Energy Association in Response to Additional Questions and Concerns Raised Regarding GAO 2017-2

The Indiana Energy Association (“IEA”), on behalf of its investor-owned electric utility members,¹ hereby submits the following brief comments in response to the additional questions and comments submitted to the Commission² concerning GAO 2017-2. The IEA appreciates the opportunity to provide these comments.

1. Proposal for website repository for relevant documentation and information (Section I (B) of GAO)

The commenters propose that the Commission create a website for a central repository of necessary documents and information concerning the Commission’s net metering and interconnection rules. The IEA companies defer to the Commission on this proposal.

2. IURC’s Consumer Affairs Division versus Indiana Energy Assn as Intermediary (Section I (D) of GAO)

The IEA companies agree that the Commission and its Consumer Affairs Division (“CAD”) are appropriate intermediaries to address any customer complaints about net metering and interconnection issues – although, we encourage customers to contact their utility first to try and work out any issues or misunderstandings. The IEA was not purporting to act as an instrumentality of the State when it reported to the Commission that the IEA electric companies had committed to toll the deadline if and to the extent a company causes a delay exceeding the deadlines contained in the interconnection rules. IEA was merely acting as an agent of the electric companies in conveying this information; indeed, IEA’s June 28, 2017 letter to the Commission enclosing comments concerning SEA 309 clearly states that the comments are being submitted by IEA “on behalf of [its] electric utility members....”

3. Documentation of Net Metering Equipment Installation (Section II (B)(1) of GAO)

The commenters ask how the Commission contemplates certain facts being established – e.g., installation of a net metering facility by December 31, 2017, and readiness of such facility to operate by January 1, 2018 -- and notes that the utility may not have completed an inspection of

¹ The electric utility members of the IEA are: Duke Energy Indiana, Indiana Michigan Power Co., Indianapolis Power & Light Co., Northern Indiana Public Service Co., and Southern Indiana Gas & Electric Co., d/b/a/ Vectren Energy Delivery.

² The additional questions and comments, dated August 24, 2017, were submitted by Carmel Green Initiative, Citizens Action Coalition of Indiana, Columbus Community Solar Initiative, Earth Charter Indiana, Hoosier Environmental Council, Hoosier Solar Initiative, Indiana DG, Hoosier Interfaith Power and Light, OFA Indiana, Prosperity Indiana, Sierra Club – Hoosier Chapter, Solar Indiana Renewable Energy Network, Solarize East Central Indiana, Solarize Evansville, Solarize Ft. Wayne, Solarize Indianapolis, Solarize Kokomo, Solarize Northern Indiana, Solarize South Central Indiana, Solarize the Sunny Side, Sr. Claire Whalen, and Valley Watch.

the facility by that time. The commenters further question who will document this, where will this documentation be retained, and how will customers be assured that if they satisfy these deadlines, they will be grandfathered until July 1, 2047.

The IEA electric companies recommend that, as with any construction project, customers should retain all documents relating to the installation of their net metering facilities, including vendor receipts, payment receipts, and correspondence with their utility. The utility will also retain any records relating to customer net metering installations. If a dispute were to arise as to whether the installation deadline was in fact met, and is not resolved between the customer and the utility, the CAD can address the issue and ask for and review documentation from both parties.

4. Receipt of signed interconnection agreement (Section II (D)(2) of GAO)

In addition to having a net metering facility installed and ready to operate by the deadline, the statute also requires that the customer be participating in a utility's net metering program. To meet this, the GAO calls for the existence of a fully executed interconnection agreement and receipt of such agreement by the utility by January 1, 2018.

The commenters ask what does "the utility has received" mean in this context, and how will this be documented and recorded? The IEA electric companies recommend that, rather than assigning Commission staff to oversee this, as proposed by commenters, this guideline be implemented by traditional rules regarding receipt of legal documents. That is, receipt can be confirmed by time-stamped emails or certified/return requested U.S. Mail delivery (with customers returning the documents with enough advance time to ensure delivery before the deadline). Additionally, the IEA electric companies do not see a need to change the GAO, as requested by the commenters, from "the utility has received" to "the customer has received the signed document from the utility." The statutory provisions that allow this generous grandfathering program require customers to meet the statutory requirements, and it is reasonable to require the customer to complete the step of returning a signed interconnection agreement to the utility. Again, such return can be accomplished via time-stamped emails or certified/return requested U.S. Mail, with sufficient advance time to allow for delivery delays. This procedure will ensure that the utility is notified that the customer has indeed accepted the terms and conditions of the interconnection agreement.

5. Agreement on Relevant and Appropriate Terms and Conditions (Section II (D)(2) of GAO)

The commenters ask what is meant by the GAO's statement that "Both the customer and the utility need to agree on the relevant and appropriate terms and conditions for the customer's net metering facility and the customer's participation in the utility's net metering tariff." The IEA electric utilities interpret this statement to mean that the customer and utility must agree that the parameters and characteristics of the customer's net metering facility meet the statutory and regulatory limits (e.g., size of facility, type of facility) and that the accompanying interconnection agreement. The agreement is important because it will likely set out the electrical characteristics the facility must meet, provide for compliance with certain IEEE and United Laboratories, Inc. ("UL") standards and applicable code provisions, set out insurance requirements, and may address needed grid upgrades and cost reimbursements. Because of this, the agreement must have been mutually agreed to by the customer and the utility. Although the statutory/regulatory restrictions relevant to net

metering are fixed by statute, any interconnection agreement provisions may involve some negotiation and in any event must be agreed to in writing by both the customer and the utility. Should a dispute arise as to whether a provision is reasonable, the IURC's CAD can address the issue and can ask for and review relevant documentation from both parties.

6. Successors in Interest (Section II (D)(4) of GAO)

The commenters question the GAO's statement that "the customer has the responsibility to retain this documentation [the interconnection agreement] and/or have the document recorded with the appropriate government agency, in order for future successors in interest to have this information." In particular, commenters contend that this requirement is unfair because the interconnection agreements contain no language indicating the grandfathering status of the existing or pending net metering facilities.

Rather than requiring addendums and changes to interconnection agreements or recording requirements, the IEA electric companies suggest that it should be the customer's responsibility to retain documentation associated with the installation of their net metering facilities and the interconnection agreement, which will provide sufficient evidence of whether or not their net metering facilities met the statute's grandfathering requirements and deadlines. Unless and until a net metering facility is either removed or expanded (incremental increased capacity), the IEA electric companies will treat the customer and successors in interest as grandfathered. The IEA electric companies are not opposed to customers recording their documentation with government authorities, but do not believe such is necessary to effectuate the grandfathering allowed by the statute and will not require future customers to prove that such recording took place.

7. System Expansions After 2017

The commenters request clarity and guidance concerning the expansion (incremental increase in capacity) of systems after 2017, inquiring whether the pre-2018 capacity would be grandfathered in through 2047, while the post-2017 capacity would be treated differently. The statute and the GAO clearly provide both that systems installed by 2017 and participating by January 1, 2018 are to be grandfathered until 2047, and that the utilities have authority to treat pre-2018 and post-2017 portions of a net metering facility differently. Future metering technology may allow for that. However, if and until such technology is in place, the IEA electric companies will treat all such expansions in a unitary manner as a pre-2018 installation, reserving the right to differentiate treatment if and when metering technology is installed which will allow for such. Given the likelihood of changing technology, perfect clarity as to when and how this will occur cannot be provided at this time. However, it should be emphasized that any increase in the output of a net metering facility or change in the configuration of the facility would require the customer to enter into a new interconnection agreement with their utility, to assure safety to the customer and reliability of the system.

8. Battery Systems

The commenters raise the issue of how hybrid battery systems – where the battery serves in a dual capacity of providing back-up power and reducing peak demand – should be treated under the

GAO. The GAO concerns implementation of Senate Enrolled Act 309, which is devoid of reference to battery technology, and therefore, this question is beyond the scope of Indiana Code chapter 8-1-40, and the GAO.