2025

NIPSCO Comments For IURC May 29th 2025 Meeting

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Potential Discussion Topics:

For our May 29th meeting, IURC staff offered the following potential topics for discussion:

Update the group regarding interconnection rule (170 IAC 4-4.3) revisions –

- Expanding definition of customer-facility (f/k/a customer-generator) (NIPSCO does not see an issue with this)
- Incorporating IEEE 1547-2018, updating UL 1741 (NIPSCO agrees with this)
- Raising the Level 1 study threshold from 10 kW to 25 kW (NIPSCO does not see an issue with this)
    - However, NIPSCO sees the need to revise the fee structure so that fees would be assessed for kW levels between 10.1 and 25 kW to recover review costs on the majority of applications. Otherwise, ratepayers would be subsidizing those applications.
- Step-in-the-process update (OMB regulatory analysis review/revisions underway) (NIPSCO does not see an issue with this)

Discussion re: registering a DER aggregation –

- What is the IURC's role in a DER aggregation registration process? (See response 1)
- What information is needed at the time that a DER aggregator registers a DER aggregation with an EDC? (See response 2)
- Question from IURC during meeting: When customers decide to shift from retail to wholesale what is the time frame customers are allowed to do this, and how does the impact utilities CIS? (See response 3)
- What are some of the topics the IURC should investigate in accordance with operational coordination with FERC Order 2222? (See response 4)

Dispute resolution –

- Potential disputes re: reliability impacts or system upgrade costs, etc.
- CAD process/rules already in place. May be no need to create a separate lane for this.

Consumer protection(s) –

- In light of recent FERC investigations re: scraped data, etc., are there any concerns re: the fraudulent registration of resources? (See response 5)
- Whose bailiwick is this?

Cybersecurity –

- Are risks adequately addressed via our interconnection rules? (NIPSCO has no comment on this topic)
- How to prevent the creation of cybersecurity back doors via residential inverters? (NIPSCO has no comment on this topic)

Existing DR tariffs (43566) and current rulemaking overlap –

- Homogenous DR aggregations under existing construct in Indiana. (NIPSCO has no comment on this topic)
- Should/can this rulemaking replace the existing DR aggregation construct, or should the current DR aggregation order/tariffs be left intact and designed around? (NIPSCO has no comment on this topic)

Proposal for Future Topics:

- Cost recovery on systems necessary for modeling, operational needs, and registration.
- Operational coordination and rules.

Response 1

It is NIPSCO's position that the IURC should have a role in requiring any Aggregator that will participate in FERC Order 2222 will go through a preliminary registration process. This registration/Interconnection process will help in the following areas:

1. Improved Grid Reliability and Safety

- Pre-registration ensures that DERs are reviewed for their actual operational intent (e.g., energy export, VAR support, frequency response) rather than just assumed to be exporting kW for retail incentives.
- This allows utilities to study the **true impact** of DERs on feeders, substations, and voltage stability before they begin participating in wholesale markets.

2. Prevention of Double Counting

- By requiring DERs to declare their aggregation intent at interconnection, RERRAs can verify that DERs are not simultaneously enrolled in retail programs (e.g., net metering or demand response) and wholesale markets.
- This supports compliance with FERC's prohibition on double compensation for the same service.

3. Streamlined Utility Review Process

- Utilities currently have only 60 days to review DER aggregations. Without pre-registration, they may be seeing DER data for the first time during that window.
- Pre-registration gives utilities **early access to DER data**, enabling them to:
    - Validate DER locations.
    - Assess feeder/substation impacts.
    - Coordinate with LBAs and LSEs.

4. Aggregation-Level Visibility

- Aggregations can span multiple feeders and substations, making it difficult to assess their collective impact.
- Pre-registration allows utilities and RERRAs to **map and model aggregations** before they are submitted to MISO, improving situational awareness and planning.

5. Regulatory Oversight and Dispute Resolution

- Pre-registration gives RERRAs a formal checkpoint to:
    - Approve or reject DER participation based on state policy.
    - Flag eligibility issues or conflicts with retail tariffs.
    - Maintain a record of DER enrollment for audit or dispute resolution.

NIPSCO has created a preliminary registration/interconnection outline that can be used to help create new rules.

INTERCONNECTION REFORM PROPOSAL

Title: Enhancing DER Interconnection Processes to Support Aggregation and Grid Reliability
Submitted to: [IURC]
Submitted by: [Insert Utility or Organization Name]
Date: [Insert Date]

I. PURPOSE

This proposal outlines a set of interconnection process reforms to address emerging challenges associated with Distributed Energy Resource (DER) aggregations under FERC Order No. 2222. The goal is to improve transparency, reliability, and administrative efficiency for Electric Distribution Companies (EDCs), DER Aggregators (DERAs), and regulatory authorities.

II. BACKGROUND

Under MISO's implementation of Order No. 2222, DER Aggregators may register DERs for participation in wholesale markets. However, the current interconnection framework assumes DERs operate only for retail export (kW), not for ancillary services such as VAR support or frequency response. Additionally, utilities are given only 60 days to review aggregation submissions, which may span multiple feeders and substations, without prior visibility into the DERs' operational characteristics

III. RECOMMENDED REFORMS

1. Preliminary Aggregation Review Process

- **Proposal**: Require DERAs to submit a preliminary aggregation registration to the RERRA, LBA, and EDC at least 30 days prior to formal submission to MISO.
- **Benefit**: Provides utilities with early access to DER data, enabling proactive validation of feeder/substation impacts and double-counting risks

2. Standardized DER Data Package (See appendix B)

- **Proposal**: Mandate a uniform data submission format for each DER in an aggregation, including:
    - Interconnection ID and location.
    - Intended market participation (e.g., energy, VAR support).
    - Reactive power capabilities.
    - Metering and telemetry specifications.
- **Benefit**: Streamlines utility review and ensures DERs are studied for their actual operational intent

3. Tiered Review Timelines Based on Aggregation Complexity

- **Proposal**: Implement a tiered review structure to review the impact of aggregations:
    - **Tier 1**: Aggregations on a single feeder – 60-day review. (Timeline to be discussed)
    - **Tier 2**: Aggregations across multiple feeders – 90-day review. (Timeline to be discussed)
    - **Tier 3**: Aggregations across multiple substations – 120-day review. (Timeline to be discussed)
- **Benefit**: Aligns review time with system complexity, reducing risk of missed reliability impacts

4. Operational Intent Declaration at Interconnection

- **Proposal**: Require DERs to declare whether they intend to participate in retail-only or wholesale markets (and which services) at the time of interconnection.
- **Benefit**: Ensures interconnection studies reflect actual DER behavior, including VAR injection or load-following

5. Aggregation-Level Impact Modeling

- **Proposal**: Develop and adopt modeling tools that simulate the collective behavior of DERs in an aggregation, especially for voltage and stability impacts.
- **Benefit**: Enables utilities to assess emergent risks that may not be visible when DERs are studied individually

6. DER Switching and Revalidation Protocol

- **Proposal**: Establish a streamlined revalidation process for DERs switching aggregators, including:
    - Notification to EDCs and RERRAs.
    - Review limited to changed DERs.
    - Optional fast-track for DERs with no change in operational profile.
- **Benefit**: Reduces administrative burden while preserving reliability oversight

IV. IMPLEMENTATION PATHWAY

- **Phase 1**: Stakeholder workshops to finalize data standards and review tiers.
- **Phase 2**: Pilot pre-registration and modeling tools in select utility territories.
- **Phase 3**: Formal rulemaking and integration into state interconnection procedures.

V. CONCLUSION

These reforms will help ensure that DER aggregations are integrated into the grid in a way that is safe, reliable, and transparent. They also support the goals of FERC Order No. 2222 by enabling broader DER participation without compromising distribution system integrity.

Appendix A: Regulatory Guidance Note on IC 8-1-40

Title: Application of IC 8-1-40 to DER Aggregation and Interconnection Reform

Purpose

This guidance note explains how Indiana Code IC 8-1-40 supports the proposed reforms to the DER interconnection process, particularly in the context of DER aggregation under FERC Order No. 2222 and MISO's compliance framework.

Background

IC 8-1-40 governs the interconnection and compensation of customer-owned distributed generation (DG) systems in Indiana. It provides the legal foundation for:

- Customer rights to interconnect DERs.
- Utility obligations to evaluate and accommodate DERs.
- Regulatory oversight of DER tariffs and participation.

As DER Aggregators (DERAs) begin enrolling customers for wholesale market participation, IC 8-1-40 provides a statutory basis for ensuring that DERs are reviewed not only for retail export but also for their intended wholesale market functions.

Connection to Interconnection Reform

1. **Aggregation Intent at Interconnection**
   IC 8-1-40 supports requiring DER customers to declare whether they intend to participate in an aggregation at the time of interconnection. This aligns with the statute's emphasis on transparency and utility oversight of distributed generation impacts. It enables utilities to study DERs for their actual operational role (e.g., VAR support, frequency response), not just retail export.
2. **Switching Aggregators and Revalidation**
   IC 8-1-40 allows the IURC to establish rules that ensure DERs do not compromise system reliability. Requiring DERs to undergo revalidation when switching aggregators is consistent with the statute's intent to protect grid integrity and prevent double counting of services.
3. **Regulatory Authority and Dispute Resolution**
   IC 8-1-40 affirms the IURC's authority to:
   - Approve DER participation in wholesale markets.
   - Set interconnection timelines and data requirements.
   - Resolve disputes between DERAs, EDCs, and customers.

Recommended Actions for IURC

- Codify aggregation intent disclosure at interconnection.
- Authorize tiered review timelines based on feeder/substation impact.
- Support pre-registration of aggregations with RERRAs and EDCs.
- Clarify revalidation requirements for DERs switching aggregators.

RESPONSE 2

NIPSCO has created a preliminary DER Data Package Template that can be used to for the interconnection process. It should be noted that this package is to be completed by the aggregator and utilities will not support a public data base.

Standardized DER Data Package Template

For Use in DER Aggregation Registration with the IURC

Section 1: General Information

- **DERA Name**:
- **Resource Type**: ☐ DEAR ☐ DRR-Type I
- **Commercial Pricing Node (CPNode)**:
- **Local Balancing Authority (LBA)**:
- **Load Serving Entity (LSE)**:
- **Electric Distribution Company (EDC)**:
- **Applicable RERRA(s)**:

Section 2: DER Identification

- **List of Individual DERs** (attach spreadsheet if needed):
    - DER ID
    - Customer Account Number
    - EDC/LSE Account Number
    - Physical Address
    - Latitude/Longitude
    - Feeder/Substation

- Maximum Participation Level (MW)
- Elemental Pricing Node (EPNode)

Section 3: Operational Intent

- **Anticipated Market Products** (check all that apply):
  ☐ Energy
  ☐ Operating Reserve
  ☐ Contingency Reserve
  ☐ Short-Term Reserve
  ☐ Up Ramp Capability
  ☐ Down Ramp Capability
  ☐ VAR Support (Reactive Power)
  ☐ Frequency Response
  ☐ Capacity (Module E-1)
- **Measurement & Verification (M&V) Methodology**:
  - Selected from Attachment TT
  - DER Group ID (if applicable):
  - Baseline Method:
  - Metering Aggregation Method:

Section 4: DER Capabilities

- **DER Type** (check all that apply):
  ☐ Distributed Generation
  ☐ Electric Storage Resource
  ☐ Demand Response
  ☐ Energy Efficiency
  ☐ Thermal Storage
  ☐ Electric Vehicle Supply Equipment
- **Dispatch Capabilities**:
  - ☐ Capable of responding to Setpoint Instructions
  - ☐ Capable of providing real-time telemetry

- ☐ Capable of injecting and/or withdrawing energy
- ☐ Capable of providing reactive power (VARs)
- ☐ Capable of ramping up/down within 5-minute intervals

- **Limitations or Constraints** (e.g., inverter limits, site-specific restrictions):
  - [Free text field]

Section 5: Metering and Telemetry

- **Metering Configuration**:
  - ☐ Bi-directional
  - ☐ Interval Data
  - ☐ Revenue Grade
- **Telemetry Capability**:
  - ☐ Real-time Injection/Withdrawal
  - ☐ 5-minute Interval
  - ☐ Secure Communication Protocol

Section 6: Regulatory Attestation

- **DERA Attestation**:
  I certify that all DERs listed in this package:
  - Have obtained all necessary approvals from the RERRA, EDC, and/or LSE.
  - Are not currently enrolled in any retail program that would result in double counting.
  - Will maintain compliance with MISO's market rules and telemetry requirements.
- Implement a **state-level verification process** for DERs registered in wholesale markets, requiring:
  - Proof of customer authorization.

- Technical validation of resource capabilities.
- Utility acknowledgment of interconnection status.
-

Signature: _____
Name:
Title:
Date:

Response 3

NIPSCO has created a preliminary policy proposal that can be used to establish a minimum participation duration for DER's.

POLICY RECOMMENDATION MEMO

Subject: Establishing a Minimum Participation Duration for Distributed Energy Resources (DERs) in Aggregations
To: State Regulatory Authorities (RERRAs), Electric Distribution Companies (EDCs), and Market Operators
From: [Your Organization or Utility Name]
Date: [Insert Date]
Reference: FERC Order No. 2222 and MISO Compliance Filings

I. PURPOSE

This memo recommends the adoption of a **12-month minimum participation duration** for individual DERs enrolled in wholesale market aggregations. This policy is intended to support grid reliability, streamline utility review processes, and align with MISO's market oversight framework.

II. BACKGROUND

Under FERC Order No. 2222, DERs may participate in wholesale markets through aggregators. However, current interconnection and registration processes do not require DERs to commit to a fixed participation period. This creates challenges for utilities and regulators, including:

- Limited time (60 days) for EDCs to review aggregation impacts.
- Lack of visibility into DER operational changes (e.g., switching between retail and wholesale programs).
- Risk of double counting services across markets.
- Increased administrative burden due to frequent revalidation of DER eligibility

III. POLICY PROPOSAL

Minimum Participation Duration:
Each DER enrolled in a DERA aggregation must remain in that aggregation for a minimum of **12 consecutive months** before switching aggregators or exiting the wholesale market.

IV. RATIONALE

Reliability and Planning Certainty

- DERs may affect multiple feeders and substations. A stable aggregation roster allows for more accurate and timely reliability studies

Administrative Efficiency

- Reduces the frequency of re-reviews and mitigates the risk of missing critical data during the 60-day review window

Market Integrity

- Prevents DERs from opportunistically switching between aggregators or between retail and wholesale programs, which could lead to double counting or settlement disputes

Alignment with MISO Oversight

- MISO already uses a 12-month window to monitor settlement disputes involving DERAs
- This policy aligns DER participation with that oversight framework.

V. IMPLEMENTATION GUIDELINES

Applicability: Applies to all DERs enrolling in a DERA aggregation after the policy effective date.

Exceptions:

- Permanent disconnection or decommissioning.
- Equipment failure.
- Regulatory disqualification by the RERRA.
- Change of ownership/tenancy of premise.

Tracking: DERAs must maintain and submit participation logs to MISO and the relevant EDCs.

Enforcement: DERAs found rotating DERs to circumvent the rule may be subject to audit and penalties.

VI. OPTIONAL ENHANCEMENTS

Tiered Duration Based on Impact: Consider longer durations (e.g., 24 months) for aggregations affecting multiple feeders or substations.

Pre-Registration Requirement: Require DERs to declare aggregation intent at the time of interconnection

RESPONSE 4

NIPSCO has created a preliminary list of topics the IURC should consider for operational coordination of DER Aggregations.

POLICY RECOMMENDATION MEMO

Title: Operational Coordination Topics for DER Aggregation

Reference: FERC Order No. 2222
Jurisdiction: Indiana Utility Regulatory Commission (IURC)

Effective Date: [Insert Date]
Prepared by: [Insert Preparer Name]
Approved by: [Insert Approver Name]
Version: 1.0

1. Purpose

To define the operational coordination requirements and procedures between the Distribution Utility, DER Aggregators, the Regional Transmission Organization (RTO), and the Retail Electric Regulatory Authority (RERRA) to ensure compliance with FERC Order No. 2222 and maintain system reliability

2. Scope

This document applies to all DER aggregations participating in wholesale markets within Indiana and interconnected to the distribution system.

3. Definitions

- **DER Aggregator:** Entity that aggregates multiple DERs for participation in wholesale markets.
- **DERMS:** Distributed Energy Resource Management System.
- **SCADA:** Supervisory Control and Data Acquisition system.
- **RTO:** Regional Transmission Organization (e.g., MISO).
- **RERRA:** Retail Electric Regulatory Authority (e.g., IURC).
- **Operational Coordination:** The process of aligning dispatch, telemetry, and reliability protocols across stakeholders.

4. Coordination

4.1 Communication Protocols

- Establish secure, real-time communication channels between DER Aggregators and Distribution Utilities.

- Ensure telemetry data includes DER availability, output, and dispatch status

4.2 Dispatch Coordination

- DER Aggregators must submit dispatch schedules to the Distribution Utility for review and validation.
- Utilities may approve, modify, or reject schedules based on system constraints

4.3 Emergency Override

- Distribution Utilities retain the right to override DER dispatch during emergencies or reliability events.
- Define override triggers (e.g., overloads, voltage violations
- Overrides must be logged and communicated to the RTO and Aggregator within 15 minutes

4.4 Forecasting and Visibility

- Aggregators must provide hourly forecasts for DER output over a 48-hour horizon.
- Incorporate into day-ahead and real-time load forecasts.
- Utilities should integrate DER forecasts into operational planning and load forecasting tools

4.5 Compliance and Reporting

- Maintain records of all coordination activities, including dispatch approvals, overrides, and communications.
- Submit quarterly compliance reports to the IURC detailing operational impacts and coordination outcomes

5. Recordkeeping

All coordination records must be retained for a minimum of five (5) years and made available for audit upon request by the IURC.

Response 5

NIPSCO has created a preliminary list of topics the IURC should consider for consumer protections.

Draft Policy Recommendation: Consumer Protection and Resource Registration Integrity

Subject: Safeguarding Indiana Consumers and Market Integrity in Light of FERC Investigations

Background:
Recent investigations by the Federal Energy Regulatory Commission (FERC) have revealed instances of unauthorized data scraping and fraudulent registration of distributed energy resources (DERs) in wholesale markets. These practices pose risks to consumer privacy, market reliability, and regulatory oversight.

Recommendation:
The Indiana Utility Regulatory Commission (IURC) should adopt a rulemaking framework that includes the following provisions:

1. Enhanced Consumer Data Protections

- Require all third-party aggregators and market participants to obtain **explicit, documented consent** from consumers before accessing or using their utility data.
- Mandate compliance with **state and federal data privacy standards**, including encryption, access controls, and audit trails.

2. Verified Resource Registration

- Implement a **state-level verification process** for DERs registered in wholesale markets, requiring:
    - Proof of customer authorization.
    - Technical validation of resource capabilities.
    - Utility acknowledgment of interconnection status.

3. Jurisdictional Clarity

- Define clear roles for the IURC, utilities, and FERC in monitoring and enforcing compliance.
- Require utilities to report suspected fraudulent registrations to both the IURC and FERC.

4. Reporting

- Require quarterly reporting from aggregators on customer enrollments and resource performance.

5. Enforcement and Penalties

- Introduce penalties for unauthorized data use or fraudulent registration, including suspension of market participation and financial sanctions.