

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE
POWERFORWARD COLLABORATIVE.

CASE No. 18-1595-EL-GRD

FINDING AND ORDER

Entered in the Journal on February 27, 2019

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission addresses filed comments, adopts the findings of the Roadmap, and directs the electric distribution utilities (EDUs) to file their respective grid architecture status reports in a new docket ending in the designation “EL-GRD” by April 1, 2019.

II. PROCEDURAL HISTORY

{¶ 2} In 2017, the Commission announced its intention to advance a comprehensive grid modernization endeavor entitled PowerForward. PowerForward is built upon the pairing of two pillars: (i) innovation, and the concept that this innovation should serve to (ii) enhance the customer electricity experience. PowerForward consisted of three open meeting phases: Phase 1: A Glimpse of the Future; Phase 2: Exploring Technologies; and Phase 3: Ratemaking and Regulation. Over the duration of these Phases, 127 industry experts provided approximately 100 hours of education to Commissioners and members of the Staff regarding a variety of grid modernization topics.

{¶ 3} On August 29, 2018, the Commission released *PowerForward: A Roadmap to Ohio's Electricity Future* (Roadmap). The Roadmap makes a number of recommendations about the future of the distribution grid and further recommends the creation of a PowerForward Collaborative (Collaborative) along with two additional workgroups, the Distribution System Planning Workgroup (PWG) and the Data and Modern Grid Workgroup (DWG). The Collaborative, the PWG, and the DWG will not only serve to continue the robust discussion had during the three Phases, but they are also meant to

address specific tasks articulated in the Roadmap and make recommendations to the Commission after deeper discussion between Staff and interested stakeholders.

{¶ 4} By Entry issued on October 24, 2018, the Commission established the PowerForward Collaborative. The Collaborative is meant to be a broader, more overarching group that is to be led by the Staff. The Collaborative is to function as an interactive forum tasked with monitoring, facilitating, and accommodating the evolution of a marketplace that promotes innovation and the delivery of products and services which enhance the customer experience in a manner consistent with the principles and objectives identified in the Roadmap. The Collaborative shall remain flexible in approach and perspective to assure appropriate responsiveness to market dynamics and removal of barriers to that development. Additionally, the Collaborative shall discuss items as requested by the Commission from time to time. The Collaborative should work with interested parties to resolve concerns and should refer these concerns to the Commission when appropriate. The Roadmap has identified some initial areas that the Collaborative should provide attention to on the topic of electric vehicles (EV), including, but not limited to: broadly monitoring EV manufacturing and the marketplace; studying impacts of EVs to the distribution system; rate design to incentivize EV charging during off-peak periods; EV corridor deployment; and the development of the marketplace for EV charging stations. Additionally, the Collaborative should determine a process whereby proposals for non-wire alternatives (NWA) can be submitted to the Commission and approved without unnecessary delay.

{¶ 5} By Entry issued November 14, 2018, the Commission invited the EDUs, as well as other interested stakeholders, to submit public comments discussing: (i) the proposed content of the grid architecture status report (grid architecture status report or report) discussing where each EDU stands in regard to the deployment of grid architecture and (ii) a proposed filing date of April 1, 2019, for said report. On December 4, 2018, comments were submitted on behalf of Duke Energy Ohio, Inc. (Duke), Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy), The Dayton Power and Light Company (DP&L), the Ohio Consumers'

Counsel (OCC), the Environmental Law & Policy Center, Environmental Defense Fund, Natural Resources Defense Council, and Ohio Environmental Council (collectively, Environmental Commenters), Ohio Power Company (AEP), and Interstate Gas Supply, Inc. and IGS Solar, LLC (collectively, IGS).

III. DISCUSSION

{¶ 6} The Commission specifically requested comments regarding the content of the proposed grid architecture status report discussing where each EDU stands in regard to the deployment of grid architecture and the proposed filing date of April 1, 2019, for said report. We have considered all of the recommendations raised in the filed comments and address them below. Any recommendation or comment that is not specifically discussed herein has been thoroughly and adequately considered by the Commission and should be denied.

A. *April 1, 2019 Deadline*

{¶ 7} Duke, FirstEnergy, DP&L, and AEP have all stated that the proposed April 1, 2019 deadline for submitting a grid architecture status report is timely and reasonable.

B. *Proposed Content of the Grid Architecture Status Report*

{¶ 8} Duke indicates that its report will be written utilizing the guidance as set forth in the Roadmap; however, it requests that the Commission provide additional instruction regarding the content of the upcoming cybersecurity plan filing. While FirstEnergy agrees to the proposed contents of the report, it states that the contents of its report will depend on, and may be limited by, the approved grid modernization programs that are in effect for FirstEnergy at the time it files the report. Along the same lines, DP&L agrees to the contents of the grid architecture status report but notes that it has modernization plans currently pending before the Commission. The Environmental Commenters suggest that the Commission wait to proceed with consideration of these proposals and any others until all four EDUs have provided the information contemplated in the Roadmap.

{¶ 9} OCC avers that the EDUs' reports must be sufficiently detailed to enable a thorough examination and assessment of customer benefits and costs by the PUCO and other stakeholders. Specifically, OCC suggests that the reports identify and describe how and when approved riders that result in grid capabilities (distribution automation, smart meters, volt-var optimization, among others) will be integrated into the existing electric distribution grid over the next several years. OCC further suggests that the reports identify specific performance measures to be used in evaluating the effectiveness of the investments that have been and could be made to the grid; and, that the Commission should adopt appropriate performance measures, as part of the rider, that will be used to evaluate the effectiveness of an EDU's grid modernization programs. Additionally, OCC avers that the EDUs' grid architecture status reports should include information about the impact that customer-funded distribution system capital investment riders are having on grid modernization and the customers served by grid modernization. OCC argues that the Commission should consider adopting rules that describe the minimum content for future grid modernization proposals similar to the requirements for electric security plan distribution infrastructure modernization proposals. Lastly, OCC insists there be an open and transparent review process of the grid architecture status reports after they are filed including an opportunity for comments, discovery, and an evidentiary hearing to resolve any issues for consumers and requests that the Commission establish a procedural schedule for the review of the grid architecture status reports.

{¶ 10} The Environmental Commenters support the Roadmap's proposed grid architecture status reports and urge the Commission to fully utilize this status report process in forthcoming EDU grid modernization applications. Further, the Environmental Commenters state that the Roadmap's objective is best served by following the process laid out in the Roadmap.

{¶ 11} IGS recommends that the report include certain provisions regarding the status of the EDUs' customer energy usage data (CEUD) capabilities stating that each EDU be required to identify how they currently provide access to usage data to competitive retail

electric service (CRES) providers in their territory, what frequency the data is provided, and the granularity of that data. IGS further suggests that each EDU address whether CEUD is currently used to calculate CRES providers' wholesale settlement statements for purposes of establishing energy and capacity obligations.

{¶ 12} Lastly, FirstEnergy expressed concerns about filing proprietary and/or confidential documents, including critical infrastructure information. AEP reiterates this concern and cautions the Commission that having meaningful information on every Ohio EDU system should be carefully weighed against the risk of providing too much information in a public docket that may create a physical or cybersecurity risk. Likewise, Duke has stated that it is concerned about providing cybersecurity information in a public forum.

{¶ 13} Having reviewed the filed comments, we find it appropriate to adopt the findings of the Roadmap as to the contents of the grid architecture status reports and the proposed April 1, 2019 deadline. The Roadmap provides specific items each EDU should address, which will afford the Commission a more thorough understanding of how each EDU currently stands with the architecture deemed to be essential by the Commission to advance the modern grid. *See* Roadmap at 15-17. Therefore, the EDUs are directed to file their respective grid architecture status reports, in accordance with the Roadmap, in a new docket ending in the designation "EL-GRD" by April 1, 2019. Further, with respect to OCC's request for a hearing, the Commission finds that setting a procedural schedule is unnecessary at this time, although we will reconsider whether to seek comments on the reports after the reports have been filed. Regarding cybersecurity, the Commission notes that the cybersecurity plans will be addressed at a later time and in a separate docket. Lastly, to the extent an EDU claims that its grid architecture status report contains confidential and/or proprietary information, we advise the EDU to follow the Commission's standard procedure for filing confidential or proprietary documents by marking them as such, filing the documents under seal, and submitting a motion for protective order in accordance with Ohio Adm.Code 4901-1-24(D).

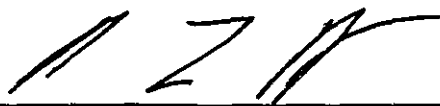
IV. ORDER

{¶ 14} It is, therefore,

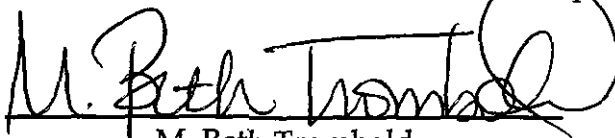
{¶ 15} ORDERED, That each EDU files their grid architecture status report in a new docket ending in the designation "EL-GRD" by April 1, 2019. It is, further,

{¶ 16} ORDERED, That a copy of this Finding and Order be served upon all parties listed in the Collaborative listserv and interested persons of record.

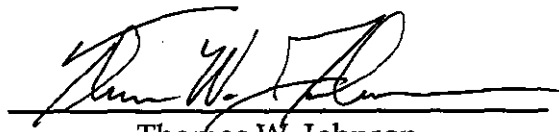
THE PUBLIC UTILITIES COMMISSION OF OHIO



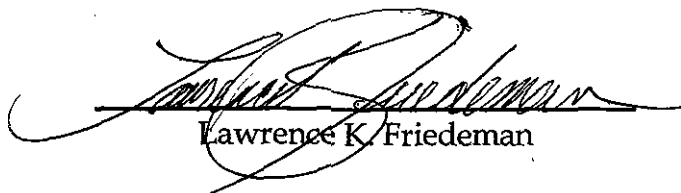
Asim Z. Haque, Chairman



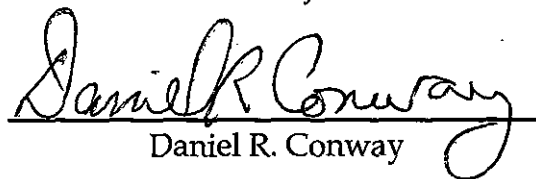
M. Beth Trombold



Thomas W. Johnson



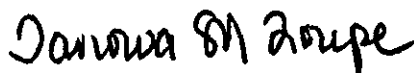
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Secretary