

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Review)
Of Chapter 4901:1-22 of the Ohio)
Administrative Code, Regarding) Case No. 12-2051-EL-ORD
Interconnection Services.)
)

**REPLY COMMENTS
OF
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

I. INTRODUCTION

In this important case the Public Utilities Commission of Ohio (“PUCO” or “Commission”) must fulfill its duty under R.C. 119.032 to review the rules¹ that govern the electric interconnection services and standards. Interconnection is the means by which Ohio customers, who install generation equipment, can tie into the electric distribution system. If a customer’s household produces more electricity than is consumed in a month, then the customer can sell the excess generation to the utility through a net-metering agreement. The PUCO’s duty is to review these rules, every five years, to determine whether to continue the rules without change, amend the rules, or rescind the rules.²

In this proceeding the Commission asked for general comments on the recommended revisions and requested specific comments regarding the following: 1) the interconnection application process; 2) standard procedures for field-tested equipment; 3) minimizing financial risk for electric distribution utilities (“EDUs”); 4) removing the 20

¹ See Ohio Adm. Code 4901:1-22.

² See R.C. 119.032(C).

megawatt capacity limit for generating facilities; and 5) requiring that the interconnection queue be made publicly available.³ The Commission also established a procedural schedule for interested parties to file initial comments by November 19, 2012, and reply comments by December 4, 2012. Initial comments were filed by the following parties: (1) the Office of the Ohio Consumers' Counsel ("OCC"), (2) Janice Karlak, (3) The Dayton Power and Light Co. ("DP&L"), (4) The Cleveland Electric Illuminating Company and Ohio Edison Company and The Toledo Edison Company ("FirstEnergy"), (5) Ohio Power Company ("AEP Ohio"), (6) GEM Energy ("GEM"),⁴ (7) Recycled Energy Development ("RED"), (8) Interstate Gas Supply Inc. ("IGS"), (9) Interstate Renewable Energy Council, Inc. ("IREC"), (10) Labyrinth Management Group, Inc. ("LMG"), (11) Cleveland Thermal, LLC., and (12) Fosdick & Hilmer, Inc. OCC appreciates the opportunity to file these reply comments⁵ on behalf of all residential customers of Ohio EDUs.

II. REPLY COMMENTS

A. The Interconnection Application Process

The PUCO Staff is recommending amendments to the current three-level interconnection application process.⁶ The PUCO Staff's proposed changes simplify the review procedures for Level 1 reviews currently consisting of systems that are ten kilowatts or less. Level two expedites review procedures for systems that currently do not

³ See Entry (October 17, 2012) at 3-4.

⁴ Comments by David R. Blair were filed on behalf of GEM Energy electronically on November 20, 2012 and via fax on November 19, 2012.

⁵ OCC does not concede any issues in comments filed by other interested parties that are not specifically addressed in these reply comments.

⁶ Entry at 2-3.

qualify for level one review “and have a nameplate capacity of two megawatts or less.”⁷

Systems that do not qualify for either level one or two would fall within the level three standard review.⁸

Interested parties generally support the PUCO Staff’s recommended revisions regarding the interconnection application process. FirstEnergy believes the recommended changes “will simplify and expedite the interconnection process.”⁹ GEM endorses clarification of interconnection system at three phases.¹⁰ RED found the three-level system “reasonable.”¹¹

DP&L also endorses the simplified process, but proposes a limit of twenty-five kilo-watts (kW) for level one instead of the proposed 10kW limit.¹² DP&L states that many residential installations are above 10kW and applying the level two process to residential applications would be “lengthy, costly, and unnecessary.”¹³ Similar to DP&L, AEP Ohio supports the PUCO Staff’s recommended simplified process and endorses a 25kW limit for level one review.¹⁴ AEP Ohio believes criteria for level one is adequate for systems between 10 kW and 25 kW. “[S]ince systems of this size are a large volume of what AEP Ohio processes,”¹⁵ a level one threshold of 25kW will reduce time and resources needed for interconnection.

⁷ *Id.* at 3.

⁸ *Id.*

⁹ See FirstEnergy Comments at 3.

¹⁰ See GEM Energy Comments at 1.

¹¹ See Recycled Energy Development Comments at 1.

¹² See DP&L Comments at 1.

¹³ See *id.*

¹⁴ See Ohio Power Company Comments at 6.

¹⁵ *Id.*

IREC supports the PUCO Staff's recommendation for a "clear three-level review process."¹⁶ However, as IREC supports moving Ohio standards closer to the Federal Energy Regulatory Commission's Small Generator Interconnection Standards, IREC encourages maintenance of the 50 kW limit for level 1 simplified review.¹⁷ LMG also discourages decreasing the limit from 50 kW to 10 kW.¹⁸ LMG estimates that, in the past four years, over "50% of the commercial, non-profit, and governmental solar electric projects have exceeded the 10 kilowatts size." LMG also expresses concern that the additional costs of a level two review would create a barrier for many small projects.¹⁹ LMG found the majority of these projects fall under 30 kW, and LMG would endorse a limit maintained at 30 kW.²⁰

OCC reaffirms its support for a simplified interconnection process. OCC agrees with AEP Ohio, DP&L and others that Ohioans will benefit from a 25 kW limit for level one review. More interconnections will qualify for the simpler and less costly path and Ohioans could benefit from simplification. Accordingly, OCC recommends that the Commission adopt 25 kW as the limit for Level 1 simplified reviews.

B. Standard Procedures for Field-Tested Equipment

The Commission sought comments on recognizing standard procedures for field-tested equipment to quicken the review process.²¹ The PUCO Staff made recommendations. The PUCO Staff recommended that field-tested equipment be considered field-tested if the utility has previously approved interconnection equipment

¹⁶ See IREC Comments at 4.

¹⁷ *Id.* at 3, 5.

¹⁸ See Labyrinth Management Group, Inc. Comments at 2.

¹⁹ See *id.*

²⁰ See *id.*

²¹ Entry at 3.

for use in its service territory that is identical to the interconnection equipment being proposed. And the PUCO Staff recommended that each EDU maintain a database of field-tested equipment used in its territory and make the database available to developers.

FirstEnergy and AEP Ohio oppose the PUCO Staff's recommendations. FirstEnergy maintains that "there is no way of knowing that previously tested customer generation equipment is identical to other generation equipment without proper certification or proper field testing of each unit."²² FirstEnergy also raises safety concerns. AEP Ohio offers corrective language for the rule.²³ AEP Ohio asserts that EDUs do not test equipment themselves, but instead they approve it.²⁴ AEP Ohio maintains that each system is different and must comply with Institute of Electrical and Electronics Engineers requirements.²⁵ According to AEP Ohio, the individual test provides a baseline for future periodic interconnection tests.²⁶ AEP Ohio further objects to maintaining a database raising cost, competitive, and confidentiality concerns.²⁷

DP&L states that it approves equipment that is UL 1741 certified.²⁸ DP&L raised no issues with maintaining a database. IREC states that allowing the use of field-tested equipment furthers best practices.²⁹ Specifically, IREC maintains that "[a]llowing field-tested equipment to be approved for interconnection eliminates unnecessary duplication where an equipment package or configuration has already been vetted and there is

²² FirstEnergy Comments at 3.

²³ See AEP Ohio Comments at 6.

²⁴ See AEP Ohio Comments at 6.

²⁵ See AEP Ohio Comments at 6.

²⁶ See *id.* at 6-7.

²⁷ See *id.* at 7.

²⁸ See DP&L Comments at 1.

²⁹ IREC Comments at 6.

therefore no need for “re-testing” an identical equipment scenario.”³⁰ IREC also states that it “supports the idea of having the EDUs maintain a database of approved equipment or configurations that is accessible by developers.”³¹

OCC is supportive of allowing the use of field-tested equipment and the development of a database of such equipment configurations. Having Ohio EDUs maintain (for public usage) a database of field-tested equipment would quicken the interconnection review process of Ohio customers and utilities. Also, the database could avoid the need for Ohioans to file formal customer complaints before the PUCO in cases where an EDU rejects a customer’s interconnection application for equipment or equipment configurations (such as programmable relays) that the utility has already approved on a previous occasion. In general, resources should not be expended to repeatedly approve/test interconnection equipment that the EDU has already approved/tested.

C. Extending the Interconnection Standards to Generators Larger than 20 Megawatts is Reasonable

Several states (including New Mexico and Massachusetts) have removed all system size caps for interconnection procedures.³² Cleveland Thermal strongly encourages the Commission to remove the 20 megawatt capacity limit.³³ Cleveland Thermal also describes the potential efficiency benefits of combined heat and power platforms that could exceed the 20 MW limit.³⁴ OCC supports the removal of the 20

³⁰ *Id.*

³¹ *Id.*

³² IREC Comments at 8.

³³ Cleveland Thermal Comments at 2.

³⁴ *Id.*

MW limit. As long as the interconnection technical and safety requirements are met, no limit is necessary. Removing the capacity limit could help EDUs more easily meet their Alternative Energy Requirements and would support the current state legislative and PUCO efforts to promote industrial Combined Heat and Power installations.

III. CONCLUSION

OCC appreciates the opportunity to provide these reply comments regarding the proposed changes to Ohio Adm. Code 4901:1-22. The Commission's adoption of OCC's recommendations in these reply comments along with the recommendations in OCC's initial comments will improve the efficiency of the interconnection process for Ohio customer generators and encourage this valuable Ohio-sited resource.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I served a true copy of the foregoing *Reply Comments* upon the following parties listed below via electric transmission (if email address was provided with electronic filing) or regular U.S. Mail, this 4th day of December, 2012.

/s/ Melissa R. Yost _____

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