BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of The Commission's Review of Chapter 4901:1-22, Ohio Administrative Code, Regarding Interconnection Services.

Case No. 12-2051-EL-ORD

SUPPLEMENTAL COMMENTS OF THE DAYTON POWER AND LIGHT COMPANY **REGARDING THE COMMISSION'S REVIEW OF CHAPTER 4901:1-22, OHIO** ADMINISTRATIVE CODE, REGARDING INTERCONNECTION SERVICES

The Dayton Power and Light Company ("DP&L" or "the Company") appreciates the opportunity to provide comments in response to the entry dated January 16, 2013 in which the Public Utilities Commission of Ohio ("Commission" or "PUCO") solicited interested parties' comments on proposed further changes to Chapter 4901:1-22, O.A.C., that were not clearly identified or addressed in the Commission entry requesting comments and reply comments filed on October 17, 2012. The Commission solicited general comments on recommended changes and policy questions as set forth in the entry itself, as well as invited feedback on the proposed changes to the text of the existing rules. DP&L's comments are set forth below.

ĩ. GENERAL COMMENTS

Entry, ¶4 Α.

The Company finds concern with allowing Fast Track Eligibility, regardless of location. Speaking only to DP&L's distribution system, a number of rural circuits are quite long with small conductors towards the end of the circuit. Smaller units can potentially cause voltage concerns if the system impedance is high at the point of interconnection.

DP&L finds no concerns with the last column of the table, allowing Fast Track Eligibility on a 600 amp line and less than 2.5 feeder miles from the substation.

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B. Entry, ¶5

Paragraph 5 of the Entry seeks to establish a framework by which utilities can address any easily identifiable issues impacting the safe and reliable interconnection of a generator that can be determined without a Level 3 Standard Review. DP&L's lack of experience with the impact of generation connections, especially renewable generation connections, on the distribution system make it difficult to easily identify issues impacting the safe and reliable interconnection without a Level 3 Standard Review.

C. Entry, ¶8

DP&L would like more clarification on how it is to be determined that a proposed

interconnection on the distribution system would have interdependencies on the transmission or

sub-transmission system.

D. Given the current regulatory framework in Ohio, does it make sense for EDU's to offer a standby tariff for generation-related services? If not, should the standby tariff be limited to transmission and distribution-related services and the generation service linked to reflect either (1) the SSO rate contained in the full-service tariff or (2) a rate offered by a competitive retail electric service (CRES) provider (Entry, ¶10[a])?

No, EDU's alone should not be required to offer such service. Generation service is

competitive in Ohio. Distribution service is not different for customers seeking standby

generation service and therefore they should not be charged differently.

E. Currently, the majority of standby rates link the reservation demand charge for distribution service to the full-service rates, based on voltage classification. Would it be beneficial to establish a uniform provision for customers willing to take interruptible service? Under such a rate, the customer would only pay for distribution service actually used (on a pro-rated basis) during a given billing period for the contracted load, given those customers are willing and able to take interruptible service during peak periods (Entry, ¶10[b]).

Distribution services are linked to full-service rates because distribution service is not

affected by standby or interruptible service, which are generation related.

F. Likewise, would it be useful to develop a similar provision for distribution rates charged for planned maintenance services, during non-peak periods, i.e. pro-rated based on actual use (Entry, ¶10[c])?

No, distribution rates charged to customers should reflect the costs incurred to distribute

electricity to that customer, even if the amounts distributed vary between billing periods.

G. What is the best way to develop a pro-rated rate structure for distribution service? Would it be beneficial to establish a universal standby rate template, used by all of the EDUs in the state (Entry ¶10[d])?

Pro-rated rate structures are not needed for distribution.

H. Should each generator / customer be charged a rate that accounts for the benefits provided by a diversity of units? If so, should the several (group of) units providing diversity be limited to those within a service territory, or could the diverse group of units extend beyond the service territory (Entry, ¶10[e])?

The benefits of "by a diversity of units" are unclear; there may not be benefits, but higher

costs. Other customers should not be burdened with higher costs simply because one set of

customers make a business decision that may or may not be beneficial. Mandating payments (or

charges) to certain customers within a service area with the corresponding charge (or payment)

to customers in a different service area is unfair and unclear. It would be very difficult to

demonstrate benefits to other service areas that are not already reflected in market prices.

II. TEXTUAL COMMENTS

A. Appendix A, 4901:1-22-07(E)(1)(a)(i)

(i) The type of generation used by the proposed distributed generation facility will be taken into account when calculating, estimating, or determining circuit or Line Section minimum load relevant for the application of screen (a) Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 am to 4 pm for fixed panel systems and 8 am to 6 pm for PV systems utilizing tracking systems), while all other generation uses absolute minimum load. The Company believes that there are difficulties in determining minimum load for daylight hours only. This information is not readily available and would be burdensome to develop. The Company proposes that this screen be removed.

B. Appendix A, 4901:1-22-07(E)(1)(a)(ii)

(ii) When this screen is being applied to a distributed generation facility that serves some onsite electrical load, only the net export in kilowatts, if known, that may flow into EDU's system will be considered as part of the aggregate generation.

DP&L is concerned with this language because it is difficult to establish what the

customer's minimum load will be to determine the net kilowatt export under minimum load

conditions. The Company proposes that this screen be removed.

C. Appendix A, 4901:1-22-07(E)(1)(a)(iii)

(iii) The EDU will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load.

DP&L is likewise troubled by the above proposed language as it is difficult to determine

how much generation would be produced by evaluating the historical minimum load data. The

Company proposes that this screen be removed as well.

D. Appendix A, 4901:1-22-07(E)(1)(b)

(iii) In aggregate with existing generation on the Line Section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions, (2) the voltage fluctuation is within acceptable limits as defined by IEEE 1453 or utility practice similar to IEEE 1453, and (3) the harmonic levels meet IEEE 519 limits at the point of interconnection.

The Company proposes deleting this language as it is difficult to determine this without conducting Level 3 studies. As stated above, DP&L's lack of experience with the impact of renewable generation connections on the distribution system make it difficult to easily identify issues impacting the safe and reliable interconnection without a Level 3 Standard Review.

E. Appendix A, 4901:1-22-07(E)(1)(c)

Section (c) attempts to identify factors that the EDU may consider in determining potential impacts to safety and reliability. While the factors listed may serve such a function, DP&L requests clarification on the purpose of each screen and the benefit that it provides.

F. Appendix B, 4901:1-22-04(B)(1)

Subsection (1) of 4901:1-22-04(B) states that customers can submit an informal request during a scoping meeting to discuss topics relating to the interconnection location and relevant system studies, among other things. DP&L is concerned that Subsection (1) fails to contain a compensation mechanism for the utility to recover cost of time spent on the informal request. Subsection (2) states a processing fee of \$300 for a pre-application report, but specifically singles this out from Subsection (1) by saying "In addition to the information described in Subsection (1)." The Company is concerned that developers could flood the utility with requests, both reasonable and unreasonable, if there is not a cost associated with it.

G. Appendix B, 4901:1-22-04(B)(2)

Subsection (2) offers a fee of \$300 for a pre-application report. DP&L believes that this compensation is inadequate given the amount of labor hours required to research and provide such data. In addition, DP&L disagrees with the reimbursement listed in Subsection (4) that requires utilities to refund \$25 for each item of unavailable data. Time spent on research, even if it results in data that is unavailable, should be compensated.

H. Appendix B, 4901:1-22-04(B)(3)

Subsection (3) of 4901:1-22-04(B) contains of list of items that will be included in the pre-application report. DP&L is confident that it can provide all data listed, except for section (1), which states:

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"Based on proposed point of interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks."

Complying with section (1) would require extensive time, effort, and possibly additional studies to obtain.

III. CONCLUSION

DP&L urges the Commission to adopt the changes proposed by DP&L and looks forward to receiving the clarification requested in the Commission's entry considering all interested parties' comments. As always, DP&L appreciates the opportunity to provide comments in connection with this five-year rule review.

Respectfully submitted,

Judi L. Sobecki (0067186) Randall V. Griffin (0080499) The Dayton Power and Light Company 1065 Woodman Drive Dayton, OH 45432 Telephone: (937) 259-7171 Facsimile: (937) 259-7178 Email: judi.sobecki@DPLINC.com

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Summary: Comments on the Commission's Review of Chapter 4901:1-22, Ohio Administrative Code, Regarding Supplemental Proposed Interconnection Rule Changes electronically filed by Eric R Brown on behalf of The Dayton Power and Light Company