

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Commission's |) | |
| Investigation into the Implementation of |) | Case No. 22-0755-AU-COI |
| the Federal Infrastructure Investment |) | |
| and Jobs Act |) | |
| |) | |

**COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY, THE TOLEDO EDISON COMPANY, AND
AMERICAN TRANSMISSION SYSTEMS, INC. REGARDING THE GRID
INNOVATION PROGRAM**

On November 28, 2022, the Public Utilities Commission of Ohio (Commission) issued an Entry in this proceeding, soliciting comments from interested persons on Commission participation in the Infrastructure Investment and Jobs Act (IIJA) Grid Resilience and Innovation Partnerships (GRIP) Program.

The FirstEnergy Ohio Utilities (FEOU)¹ suggest that when thinking about items to include in the Grid Innovation Program application, the Commission focus on projects that provide the greatest benefits to customers and that the Commission prioritize projects that focus on environmental justice communities. The FEOU plan to seek out opportunities in the IIJA, both directly and through subawards from the state, that will benefit our customers and the communities we serve, including in the topic areas of the GRIP Program. Any funds received under the IIJA programs for specific FEOU projects will reduce ratepayer impacts by offsetting the costs of the projects to be recovered through rates.

¹ The FirstEnergy Ohio Utilities are Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company, and American Transmission Systems, Inc.

The FEOU commend the PUCO for seeking comments relating to the IJIA GRIP program on grid innovation and are providing answers to the questions put forth in the Entry.

a. Should the state, through the Commission, pursue funding under the Grid Innovation Program?

Yes. In the GRIP Funding Opportunity Announcement (FOA), the DOE states they are soliciting projects that contribute to one or more of five primary objectives: 1) Ensuring reliable grid operations, 2) Improving overall grid resilience, 3) Enhancing collaboration between and among eligible entities and private and public sector owners and operators on grid resilience, 4) Contributing to decarbonization of the electricity and broader energy system and 5) Providing enhanced system value, improving current and future system cost-effectiveness, and delivering economic benefits. These objectives align closely with state policies articulated in O.R.C. 4928.02, as well as the Commission's Mission Statement.

With awards up to \$250 million available, FEOU encourages Ohio, through the Commission, to try to secure substantial funding to advance important state policies. The funds the Commission would receive could be used to benefit all Ohio consumers through greater reliability and resilience and enhanced system performance.

b. If so, how should the Commission propose to meet the 50 percent cost share requirement?

The Commission should provide subawards to entities able to perform the work contained in the Grid Innovation Program. Subaward recipients performing the work will be reimbursed for 50 percent of the total project costs and are responsible for providing the matching funds. If the FEOU are a subaward recipient, they would expect to receive full and timely cost recovery for their 50 percent share, such that FEOU customers receive the full benefit of the investment and are only responsible for 50 percent of the costs.

- c. Entities that may be eligible to partner with the Commission should provide examples of the types of programs and/or projects that the Commission could advance in a concept paper.**

The FOA discusses projects in three areas of interest: transmission system applications, distribution system applications and combination system applications.

As the Commission considers projects to include in the Grid Innovation Program concept paper, it should prioritize projects that will provide enhancements in system safety, reliability, and resiliency, enable distributed energy resources, and modernize the transmission and distribution systems. The Commission should also consider projects that focus on addressing issues around energy justice and addressing issues in environmental justice communities. Further priority should be given to providing funds for utility projects that ultimately offset ratepayer costs.

The FEOU believe that programs included in the Commission's concept paper should meet several key objectives:

- Ensure energy justice across the proposed projects;
- Prioritize benefits to economically disadvantaged communities, including areas with existing reliability concerns;
- Prioritize funds for projects that offset ratepayer costs;
- Enable the distribution grid of the future;
- Increase resilience by increasing inventory of key reliability items including spare transformers;
- Increase visibility to system operations via SCADA/DERMS/ADMS;
- Maintain or enhance reliability and resiliency, and provide targeted voltage support by utilizing energy storage as a distribution asset.

Consistent with these objectives, projects that could be advanced in a concept paper include:

Distributed Energy Resource Management System (DERMS). DERMS is a key distribution system enabling technology that permits granular and real-time management of distributed energy resources ("DER") and is particularly important for the management of distribution systems with high DER penetration. As DER proliferate, grid complexity increases.

A DERMS module will give the electric utilities the ability to monitor DER in real time, forecast both the potential for DER to provide various distribution services and the likely impact on the distribution system under various scenarios, and control DER in front of the meter in real-time to provide distribution support functions and address distribution system contingencies, emergency conditions and other uses.

Storage as a distribution asset. Utilizing an energy storage system for reliability purposes on the distribution system is a key element of future system operation as battery storage may alleviate the need for new distribution capacity at specific sites. As the Commission stated in *Power Forward: A Roadmap to Ohio's Electricity Future*, "Using storage as opposed to traditional distribution system fixes could defer costly upgrades. Typically, distribution infrastructure upgrades are driven by peak demand events that occur on only a few, fairly predictable occasions each year. Energy storage in incremental amounts could deal with these limited duration events and defer large investments to free up capital to be deployed elsewhere." Another cost-effective example of using energy storage as a distribution asset is during system contingencies where energy storage controlled by a DERMS can be utilized for operational switching and to restore sections of a circuit during outage events.

/s/Lou D'Alessandris

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Summary: Comments of Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and American Transmission Systems, Inc. Regarding the Grid Innovation Program electronically filed by Ms. Jill R. Olbrysh Sustar on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company and American Transmission Systems, Inc.