

MADRI WORKING GROUP MEETING #52 – February 20, 2019

DISTRIBUTED ENERGY RESOURCES IMPACTS AND COST ALLOCATION ISSUES

<p style="text-align: center;">PECO 25th Floor Meeting Room (A&B) 2301 Market Street Philadelphia, PA <u>Remote Participation</u> Web Address: https://pjm.webex.com Meeting Name: MADRI Meeting number: 620 378 770 Meeting password: madri0220pjm Teleconference call-in number: 1-866-546-3377 (US) Participant passcode: 959934</p>
--

Customers in MADRI states are increasingly turning to distributed energy resources (DERs) to meet their own energy-related goals, especially for cost savings, environmental sustainability, and resilience. This includes all manner of DERs: distributed generation (DG), energy storage, energy efficiency (EE), demand response (DR) and flexible loads, and electric vehicles (EVs). The deployment of DERs on a utility’s distribution system usually has little or no impact on system capacity needs or costs, when deployment levels are very low, but at higher deployment levels DERs can have a significant impact on distribution system needs and costs, either as a driver for increased costs or as a solution that reduces the need for infrastructure investments.

This meeting will focus primarily on the distribution system impacts of DERs and how the associated costs and benefits can be appropriately allocated to the customers deploying those DERs. There will also be an update on the development of a MADRI guide to integrated distribution planning (IDP), which relates to and is informed by this topic of DER-related cost allocation. Finally, the meeting agenda will also [insert PJM presentation topic here].

AGENDA

- | | |
|------------------------|--|
| 9:30 – 10:00am | Networking with attendees |
| 10:00 – 10:15am | Introductions
The Honorable Harold Gray, Commissioner, DE Public Service Commission
John Shenot, Regulatory Assistance Project |
| 10:15 – 11:30am | Impacts of DERs on Distribution System Infrastructure Needs
Speaker 1 TBD: Overview of how DERs create need for distribution system investment – would be good to get a speaker from a utility
Speaker 2 TBD: DG expert discusses specific case
Speaker 3 TBD: EV expert discusses specific case |

We'll start the day with an examination of some of the ways that DER deployment can drive the need – or alleviate the need – for distribution system infrastructure investments. The first speaker will give an overview of the topic, and the other two speakers will dive more deeply into the impacts of distributed generation impacts and electric vehicle impacts.

11:30am – 12:15pm **Progress Report and Discussion of MADRI Guide to Integrated Distribution Planning (IDP)**
Speaker(s) TBD

This session will offer an update on the status of developing the MADRI Guide to IDP, the plan for completing the guide, and opportunities for stakeholder input.

12:15 – 1:00pm **Lunch**

1:00 – 2:15pm **Fair Allocation of Distribution System Costs and Benefits Resulting from DER Deployment**

Speaker 1 TBD: Cost allocation expert

Speaker 2 TBD: Example of cost allocation practices from one MADRI state

Speaker 3 TBS: Another state example of cost allocation – perhaps hear about the approach taken in Ohio for line extensions to see if it could be applied to DER-related costs?

Speakers will share varying perspectives on approaches to fair allocation of utility upgrade costs and system benefits resulting from DER deployment by customers. Should the first customer who creates a need for an upgrade bear all the costs of that upgrade? Should customers who subsequently install DERs that benefit from such an upgrade pay some of the costs? The session will examine theories and principles underlying cost allocation, as well as some current state practices for costs and benefits arising from DER deployment. The discussion may also explore state practices for allocating costs not related to DERs (e.g., line extension costs) to see if the same principles could be applied to DER-related costs and benefits.

2:15-3:00pm **PJM Topic**
TBD, PJM

Placeholder for a topic to be chosen by PJM.

3:00 – 3:15pm **Wrap-Up, Adjournment**

The Honorable Harold Gray, Commissioner, DE Public Service Commission
John Shenot, Regulatory Assistance Project