PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Petition of PPL Electric Utilities Corporation for Approval of its Second Distributed Energy Resources Management Plan	**Public Meeting held November 20, 2025** **3049223-OSA** **Docket No. P-2024-3049223**

JOINT MOTION OF CHAIRMAN STEPHEN M. DeFRANK & COMMISSIONER RALPH V. YANORA

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions of PPL Electric Utilities Corporation (PPL, Company, or Petitioner) and the Joint Solar Parties (JSPs),[1] filed on July 15, 2025, to the Recommended Decision (R.D.) of Administrative Law Judge (ALJ) John M. Coogan, issued on June 30, 2025, in the above-captioned proceeding. Replies to Exceptions were filed by PPL, the JSPs, the Office of Consumer Advocate (OCA), and the Office of Small Business Advocate (OSBA) on July 22, 2025.

This matter involves PPL's Petition for Approval of its Second Distributed Energy Resource (DER) Management Plan (Petition) filed with the Commission on May 20, 2024. By its Petition, PPL is requesting approval to implement its Second DER Management Plan following the conclusion of its First DER Management Plan and Pilot Program approved by the Commission on December 17, 2020. Through its Second DER Management Plan, PPL is proposing to continue installing DER Management devices and actively monitoring and managing DERs, as well as to expand on the DER Pilot Program by authorizing PPL to:

> (1) actively monitor and manage the smart inverter settings on all DERs that are in the Pilot Program's control groups; (2) utilize the Volt/Watt functionality, with customer consent, when the interconnecting DER could create a localized high voltage issue on the distribution system at the time of interconnection, which would not be resolved by the Volt/VAR or Constant Power Factor grid support functions; and (3) make the Pilot Program permanent. As such, provisions in the Settlement that limit the scope of the Pilot Program's requirements, such as the annual cap of 3,000 DER Management devices, would be eliminated. Moreover, the Company proposes to install DER Management devices on: (1) solar photovoltaic systems interconnected before the Pilot Program started on January 1, 2021; and (2) inverter-based DERs

[1] American Home Contractors, Inc. (AHC), Enphase Energy, Inc. (Enphase), the Solar Energy Industries Association (SEIA), SolarEdge Technologies, Inc. (SolarEdge), Sun Directed, Sunnova, Inc., Tesla, Inc. (Tesla), and Trinity Solar, LLC (Trinity) (collectively, the Joint Solar Parties or the JSPs). On September 13, 2024, the JSPs filed a letter amending the list of JSPs, stating that Sunnova, Inc. is no longer a member of the JSPs.

interconnected after the Pilot Program started without DER Management devices installed on them.

On June 30, 2025, the Commission issued the R.D. of ALJ Coogan recommending that the Commission deny PPL's Petition because of the Company's failure to meet its burden of proof in this proceeding. Specifically, the ALJ concluded that PPL failed to carry its burden of proof in demonstrating: (1) why the scope of its proposed active monitoring and control of DER devices for all customer-owned and third-party-owned inverter-based DER installations is reasonable or necessary; (2) how the proposed standards of PPL's proposal will not result in harms to participants in the DER program; and (3) that its proposal is supported by a reliable and positive cost-benefit analyses.[2]

In its Exceptions to the R.D., PPL argues that its Second DER Management Plan (1) is reasonable and necessary, especially given the resource adequacy challenges before the Commonwealth; (2) does not result in credible harms to the JSPs; and (3) is supported by the Company's cost-benefit analyses.

PPL's Exception No. 1

In its Exception No. 1, PPL contends that the R.D. errs in finding "that PPL has not demonstrated why the scope of its proposed active monitoring and control of DER devices is reasonable or necessary." PPL states that its proposal, a 'first-in-the-nation' design, establishes the Company in the vanguard of distribution advancement by improving reliability and helping to address the significant resource adequacy challenges faced by the Commonwealth. PPL highlights the importance of reviewing the Petition with an understanding of the technological maturity of its existing distribution infrastructure. The Company contends that regulators and utilities should consider the opportunity to utilize certain functions before achieving higher penetration of DERs in order to optimize future DER growth and avoid any negative impacts as penetration increases.[3]

PPL further contends that the continued unmonitored and unmanaged deployment of DERs presents challenges to the safe and reliable operation of electric distribution systems and to the electrical grid at large. These challenges include manifesting voltage changes outside regulatory limits, increasing wear-and-tear of voltage management devices, overloading circuits leading to failure or accelerated loss of life, disruptions to conservation voltage reductions, continued energization of 'islanded' feeders presenting risks to utility workers and the public, damages to other customers equipment caused by transient overvoltage, and issues caused by "load masking" where DER load masks actual demand causing challenges including faulty switching decision.[4]

Notably, the Company submits that approval of the Petition will help address resource adequacy by increasing the hosting capacity on distribution circuits thereby permitting more customers to connect DERs and larger DERs to be connected without requiring system upgrades.

[2] *See* R.D. at 42, 43, 44, 46.
[3] PPL Exceptions at 9.
[4] PPL Exceptions at 10-11.

We believe that the record herein supports granting PPL's Exception No. 1. As distributed energy investments in the Commonwealth continue to grow, it is reasonable to design programs and protocols to better coordinate utility hosting of these resources in an effective manner. The DER Pilot has already mitigated over 604,000 voltage violations through active management. There is no doubt that continuation and expansion of PPL's Pilot, as proposed, will continue to provide benefits of better managed voltage.

Further, we believe that all tools to help manage resource adequacy must be duly considered. The increased capacity to host DERs will help de-stress the transmission system. PPL's projections, based on its experience from the DER Pilot, exhibit that this proposal would increase incremental hosting capacity by 258 MWs over a five-year period.[5] Further, enhanced voltage management will result in more efficient use of electricity thereby decreasing the overall watts needed, again offering a helpful hand in meeting the electric resource needs of the future.

PPL's Exception No. 2

In its Exception No. 2, PPL contends that the ALJ improperly found that PPL's requirements for interconnecting DERs have resulted in "credible harms" to the JSPs. In response to the JSP's claims concerning adverse effects of the Second DER Management Plan, PPL provided evidence to rebut each of the JSP's claims regarding lost sales and interconnection delays.[6] Specifically, PPL provided record evidence which, in the aggregate, sufficiency rebuts and outweighs the JSPs claims regarding harm; including, but not limited to:

1. Asserted lost sales from locations outside of PPL's service territory;[7]
2. Included smart inverter cost analyses with inaccurate size comparisons;[8]
3. Failed to use actual revenues, number of projects, and costs;[9]
4. Misstated the underlying cause of alleged installation delays;[10]
5. Overstated the labor costs associated with smart inverter installation.[11]

Based on this evidence, we find that PPL has satisfactorily rebutted the JSPs claims of "credible harms" regarding lost sales and/or interconnection delays.

In addition to asserting lost sales and interconnection delays, the JSPs assert that PPL's Second DER Management Plan has "blocked or limited market entry for third-party aggregation and blocked or impeded competition from third-party grid service providers."[12] In response, PPL asserts that nothing in its Second DER Management Plan inhibits or precludes DERs from contracting with aggregators or participating third-party aggregation. In fact, PPL stated that it is

[5] PPL St. No. 10-R at 16.
[6] *See* PPL Exceptions at p. 19-21.
[7] PPL MB at 43.
[8] PPL St. No. 2-R at 21-22.
[9] *Id.* at 29-31 and 49.
[10] *Id.* at 40.
[11] *Id.* at 34.36.
[12] JSPs R. Exc. at 15.

willing to conduct an RFP to receive bids from third-party aggregators and original equipment manufacturers.[13] In evaluating these bids, "PPL Electric would evaluate, among other things, the cost, the amount and location of the bidder's DERs, and the bidder's ability to transmit the Company's commands to the DERs."[14]

To ensure that the PPL's Second DER Management Plan does not result in blocked or limited market entry for third-party aggregation for DERs, we will direct PPL to conduct an RFP from third-party aggregators. As such, we do not find any potential harm attributable to the JSPs blocked or limited market entry claims. Accordingly, we believe that PPL's Exception No. 2 should be granted, with the RFP modification explained herein.

PPL's Exception No. 3

In its Exception No. 3, PPL objects to the ALJ's conclusion that the Company's cost-benefit analyses do not support its proposed Second DER Management Plan. We agree with PPL that the Company has thoroughly demonstrated that its proposed plan will produce significant benefits for PPL's ratepayers, interconnecting customer-generators, and electric distribution system well in excess of the costs of its proposal.

To conduct its cost-benefit analyses of its proposed plan, PPL retained a third party, Concentric Energy Advisors, Inc. (Concentric). Concentric determined that between 2025 and 2030, PPL's Second DER Management Plan will result in significantly higher benefits than projected costs. More specifically, Concentric projected that the total costs related to active management in that period will total $26.5 million, with active management producing more than $48 million in benefits, including approximately $7.9 million in reduced O&M expense, $13.4 million in avoided distribution infrastructure investments, $18.7 million in energy reduction, and $7.8 million in conservation voltage reduction. In addition to examining the benefits associated exclusively with active management, Concentric's modeling further projected the benefits attributable to the detailed monitoring of the Company's distribution system enabled by DER Management devices. Accounting for the monitoring capabilities created by the installation of DER Management devices results in net benefits that are even greater, growing to approximately $65.5 million on a net present value basis, with the monitoring capabilities alone producing an additional $98.6 million in total benefits.[15]

Importantly, PPL provided that after accounting for these reduced capital costs and expenses from the Company's Second DER Management Plan, the estimated revenue requirement impact would be approximately $4.5 million lower than without the proposed program.[16] PPL asserts that this would put a downward pressure on rates and would decrease customers' bills.[17]

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[13] PPL Stat. 1-RJ at 6.
[14] *Id.*
[15] PPL Exceptions at 29-31.
[16] PPL Exceptions at 31.
[17] *Id.*

Based on this cost-benefit analyses, we believe that PPL has met its burden of proof to demonstrate that the benefits of its Second DER Management Plan significantly outweigh the costs to the direct benefit of its ratepayers. Therefore, PPL's Exception No. 3 should be granted.

PPL's Exception No. 4 and Replies

In its Exception No. 4, PPL asserts that the ALJ failed to consider proposed modifications to the Second DER Management Plan to address concerns regarding the scope of the proposal. Originally, in its direct testimony, the Office of Consumer Advocate (OCA) made recommendations for PPL to file a DER Orchestration Plan and provide an evaluation of three different flexible interconnection approaches within 12 months of the Commission's Order in this proceeding.[18] In their testimony, PPL stated that the Company is willing to file such a DER Orchestration Plan.[19] We agree with PPL and the OCA's original recommendation that the Company should be required to file a DER Orchestration Plan and provide an evaluation of three different flexible interconnection approaches within 12 months of the Commission's Order in this proceeding. Accordingly, we believe it is appropriate to grant PPL's Exception No. 4, in part, to the extent that the Commission direct PPL to adopt the DER Orchestration Plan modification as set forth herein.

THEREFORE, WE MOVE:

1. That the Exceptions filed by PPL Electric Utilities Corporation on July 15, 2025, to the Recommended Decision of Administrative Law Judge John M. Coogan, issued on June 30, 2025, in the above-captioned proceeding, are granted, in part, as modified by and consistent with this Motion.

2. That the Exceptions filed by American Home Contractors, Inc., Enphase Energy, Inc., the Solar Energy Industries Association, SolarEdge Technologies, Inc., Sun Directed, Tesla, Inc., and Trinity Solar, LLC on July 15, 2025, to the Recommended Decision of Administrative Law Judge John M. Coogan, issued on June 30, 2025, in the above-captioned proceeding, are denied, consistent with this Motion.

3. That the Recommended Decision of Administrative Law Judge John M. Coogan, issued on June 30, 2025, in the above-captioned proceeding, is reversed, consistent with this Motion.

4. That PPL Electric Utilities Corporation's Petition for Approval of its Second Distributed Energy Resources Management Plan is granted, as modified by and consistent with this Motion.

[18] OCA Stat. No. 1 at 6-7.
[19] PPL Stat. No. 1-R at 20.

5. That the Office of Special Assistants prepare an Opinion and Order consistent with this Motion.

Date: November 20th, 2025

Stephen M. DeFrank, Chairman

Ralph V. Yanora, Commissioner