

FILED
May 8, 2020
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SOUTHERN INDIANA GAS AND)
ELECTRIC COMPANY D/B/A VECTREN ENERGY)
DELIVERY OF INDIANA, INC. FOR APPROVAL OF A) CAUSE NO. 45378
TARIFF RATE FOR THE PROCUREMENT OF)
EXCESS DISTRIBUTED GENERATION PURSUANT)
TO IND. CODE § 8-1-40 ET SEQ.)

VERIFIED PETITION

Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc., a CenterPoint Energy Company, ("Petitioner") petitions the Indiana Utility Regulatory Commission ("Commission") for approval of a tariff rate for the procurement of excess distributed generation ("Rider EDG") pursuant to Ind. Code § 8-1-40 *et seq.*

1. **Petitioner's Corporate and Operational Status.** Petitioner is an operating public utility incorporated under the laws of the State of Indiana, and has its principal office at One Vectren Square, Evansville, Indiana. It has charter power and authority to engage, and is engaged, in the business of rendering retail electric service solely within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. It owns, operates, manages, and controls, among other things, plant, property equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to approximately 145,000 electric consumers in southwestern Indiana. Its service territory is spread throughout seven counties: Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick, and Spencer counties.

2. **Petitioner's Regulated Status.** Petitioner is a "public utility" and an "electricity supplier" within the meaning of Ind. Code §§ 8-1-2-1 and 8-1-40-4(a), and is subject to the

jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

3. **Background**. Ind. Code § 8-1-40 *et seq.* (the “Distributed Generation Statute”) establishes the regime under which Petitioner procures electricity supplied by customers with qualifying distributed generation resources and offsets the cost of the electricity supplied to such customers. The Distributed Generation Statute requires that Petitioner’s net metering tariff remain available until the earlier of the following: “January 1 of the first calendar year after the calendar year in which the aggregate amount of net metering facility nameplate capacity under the electricity supplier’s net metering tariff equals at least one and one-half percent (1.5%) of the most recent summer peak load of the electricity supplier [or] (2) July 1, 2022” (Ind. Code § 8-1-40-10). Under Ind. Code § 8-1-40-12, the available net metering capacity is apportioned so that forty percent (40%) is reserved for residential customers, fifteen percent (15%) is reserved for biomass resources, and the remaining forty-five percent (45%) for all other customers with eligible distributed generation.

4. As of the Petition date, the amount of net metering capacity for residential and non-residential customers with non-biomass resources has been exceeded when considering pending applications and current operating customers. Given Petitioner has not received any customer applications to install biomass distributed generation, Petitioner has continued to process customer distributed generation applications by using the capacity otherwise reserved for biomass resources. Pursuant to Ind. Code § 8-1-40-10, Petitioner’s net metering tariff remains available for new customers until January 1, 2021. However, prior to July 1, 2022, if there is an interest in biomass resources, Petitioner will ensure that capacity will be made available for any biomass applications up to the 15% reservation threshold, even if such resources cause the amount of operating net metering to exceed the 1.5% aggregate capacity limit.

5. Pursuant to Ind. Code § 8-1-40-12 and 170 IAC 4-4.2-4(b), Petitioner has sole discretion regarding the availability of net metering capacity in excess of 1.5% of its summer peak

load. Per Ind. Code § 8-1-40-11, in no event can net metering be made available by Petitioner after June 30, 2022. By continuing to utilize the available biomass reserved capacity for residential and non-residential customer distributed generation resources in order to make net metering available to such customers, Petitioner reasonably anticipates that at some point in calendar year 2020, the aggregate amount of available net metering capacity will be exceeded. As a result, in accordance with Ind. Code § 8-1-40-10 and 16, Petitioner is requesting approval of Rider EDG to establish a rate for the procurement of excess distributed generation, once the aggregate amount of net metering capacity is exceeded, for all applications approved after January 1, 2021. To the extent prior to July 1, 2022, Petitioner receives applications from customers with biomass distributed generation resources, such applications up to 15% of the aggregate net metering capacity will continue to be eligible for the net metering tariff.

6. As of March 31, 2020, Petitioner has approximately 4,836.283 kilowatts (kW) of net metering capacity remaining (based on a summer peak in 2019 of 1,054,500 kW and 10,979.17 kW of net-metering resources in operation).

7. As of March 31, 2020, of the Petitioner's 4,836.283 kW of remaining net metering capacity, 767.643 kW are reserved for residential customers, 2,372.400 kW are reserved for customers using biomass for generation and 1,696.240 kW are non-reserved.

8. For the residential class, in addition to operating capacity, there are 254.050 kW of projects which have been approved by Petitioner and the customers have signed interconnection agreements ("Approved Participants"). In addition, there are 786.474 kW of projects for which the customers have submitted an application but are awaiting confirmation of review and approval from Petitioner ("Non-Approved Participants"). The total of these applications exceeds the remaining reserved capacity for residential customers.

9. Petitioner does not have any Approved Participants for Biomass installations, nor has the Petitioner received any applications for Biomass installations for review.

10. For all other customers, pending applications currently exceed the remaining available capacity. Customer projects totaling 1,615.800 kW are considered Approved Participants. Non-Approved Participant applications total 1,664,240 kW, which are pending review and approval by Petitioner or completion of a final, signed interconnection agreement.

11. The procedure under which public utilities may request a rate for the procurement of excess distributed generation by the electricity supplier (as defined by Ind. Code § 8-1-40-4) is governed by Ind. Code § 8-1-40-16 and requires Petitioner to petition the Commission for approval of such rate.

12. Petitioner's proposed Rider EDG establishes a rate for the procurement of excess distributed generation that is consistent with Ind. Code § 8-1-40-17, which states in part that the Commission shall review a petition filed under Ind. Code § 8-1-40-16 and, after notice and public hearing:

...approve a rate to be credited to participating customers by the electricity supplier for excess distributed generation if the commission finds that the rate requested by the electricity supplier was accurately calculated and equals the product of: (1) the average marginal price of electricity paid by the electricity supplier during the most recent calendar year; multiplied by (2) one and twenty-five hundredths (1.25).

13. Pursuant to Ind. Code § 8-1-40-18, compensation to the Rider EDG customer shall take the form of credit on the customer's monthly bill and any excess credit shall be carried forward and applied against future charges to the customer for as long as the customer receives electric service from the electricity supplier at the premises.

14. **Relief Sought by Petitioner.** Pursuant to Ind. Code §§ 8-1-40-10, 12 and 16, Petitioner petitions Commission for approval of its Rider EDG for the procurement of excess distributed generation.

15. **Summary of Petitioner's Proposed Excess Distributed Generation Tariff.** Ind. Code § 8-1-40-5 defines "excess distributed generation" as "the difference between the electricity that is supplied by an electricity supplier to a customer that produces distributed generation, and

the electricity that is supplied back to the electricity supplier by the customer.” In accordance with Ind. Code § 8-1-40-5, Petitioner’s proposed Rider EDG will be based upon instantaneous measurements of electricity supplied by the customer to Petitioner (defined as “Outflow”) and electricity supplied by the Petitioner to the customer (defined as “Inflow”). Outflow will be credited based upon the 2019 hourly location marginal price at Petitioner’s load node multiplied by one and twenty-five hundredths (1.25) (in accordance with Ind. Code § 8-1-40-17). Rider EDG will be updated annually by March 1 via a compliance filing. Inflow will be charged at the Petitioner’s applicable tariff rate (based on customer type and usage characteristics). Accordingly, a customer will first use its DG output to offset some or all of its instantaneous use of electric service and then its excess outflow will produce bill credits based on the EDG approved rate.

16. Any applications received and approved while the Petitioner has remaining net metering capacity (as defined in Ind. Code § 8-1-40-12) will remain eligible for and be compensated under the terms of Petitioner’s Rider NM (Sheet No. 52 of Petitioner’s Tariff for Electric Service) through July 1, 2032, assuming the customer’s net metering facility is not removed or replaced, in accordance with Ind. Code § 8-1-40-13. Applications that have been submitted, but not yet approved, are considered in the queue. In the event Petitioner reaches the net metering capacity as defined in the Distribution Generation Statute, Ind. Code § 8-1-40-10(1) states that Rider NM will remain available for new customers until January 1 of the first calendar year after the net metering capacity is reached. Applications that have been received and approved by Petitioner prior to January 1, 2021 will be eligible for Rider NM through July 1, 2032. In accordance with Ind. Code § 8-1-40-10, Rider NM will no longer be available to new customers after December 31, 2020.

17. **Applicable Law.** Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code § 8-1-40 *et seq.*, among others, and 170 IAC 4-4.2 *et seq.* to be applicable to the subject matter of this proceeding and believes that such statutes and regulations provide the Commission authority to approve the requested relief.

18. **Petitioner's Counsel.** Petitioner's counsel of record, duly authorized to accept service of papers in this Cause are:

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19. **Procedural Matters.**

Petitioner requests the Commission promptly conduct a prehearing conference to establish a procedural schedule in this Cause.

WHEREFORE, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. respectfully requests that the Commission promptly publish notice, make such investigation and hold hearings as are necessary or advisable, and thereafter, make and enter appropriate orders in this Cause:

- (a) approving a rate for the procurement of excess distributed generation, in accordance with Ind. Code § 8-1-40-16 and Ind. Code § 8-1-40-17;
- (b) approving proposed Rider EDG and proposed Sheet No. 53 of Tariff for Electric Service to implement such Rider EDG; and
- (c) granting all other appropriate relief.

DATED: May 8, 2020

Respectfully Submitted,

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC.,
A CENTERPOINT ENERGY COMPANY



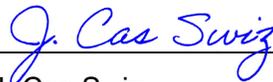
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A CenterPoint Energy Company

VERIFICATION

I, J. Cas Swiz, Director, Regulatory and Rates, affirm under the penalties of perjury that the statements and representations in the foregoing Petition are true to the best of my knowledge, information and belief.



J. Cas Swiz

Dated: May 8, 2020

CERTIFICATE OF SERVICE

The undersigned certifies that on May 8, 2020, a copy of the foregoing was served via electronic mail to the following:

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