

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF)	CASE NO.
INTERCONNECTION AND NET METERING)	2020-00302
GUIDELINES)	

SUPPLEMENTAL BRIEF OF DUKE ENERGY KENTUCKY, INC.

I. INTRODUCTION

Please accept this Supplemental Brief submitted on behalf of Duke Energy Kentucky, Inc., (Duke Energy Kentucky or Company) in response to the Kentucky Public Service Commission’s (Commission’s) request for supplemental briefs from interested parties in order to develop a record that the Commission can draw upon as it conducts its investigation into net metering interconnection guidelines and considers Federal Energy Regulatory Commission (FERC) Order No. 2222.¹

II. BACKGROUND

On September 24, 2020, the Commission initiated this proceeding to investigate and potentially modify and update net metering interconnection guidelines, which were last addressed in Case No. 2008-00169.² Also in that Order, all Kentucky jurisdictional electric utilities were made parties to this proceeding. To assist the Commission in its investigation, the Commission has further requested the parties file a written brief discussing current and reasonably anticipated issues and concerns identified by each party

¹ *In the Matter of Electronic Investigation of Interconnection and Net Metering Guidelines*, Case No. 2020-00302, Order (Ky. P.S.C. Feb. 16, 2021); *Id.*, Order (Ky. P.S.C. Mar. 4, 2021).

² *In the Matter of Development of Guidelines for Interconnection and Net Metering for Certain Generators with Capacity Up to Thirty Kilowatts*, Administrative Case No. 2008-00169, Order (Ky. P.S.C. Jan. 8, 2009).

regarding net metering interconnection guidelines, and, separately, current and reasonably anticipated concerns regarding Federal Regulatory Energy Commission (FERC) Order No. 2222.³ On April 19, 2021, Duke Energy Kentucky, along with a number of other participating entities, filed a written brief addressing the matters raised by the Commission.⁴

On February 4, 2026, the Commission established a procedural schedule for the orderly processing of this proceeding. An informal conference was held on February 26, 2026, which Duke Energy Kentucky and others attended. Written supplemental briefs were scheduled to be due March 16, 2026. On March 4, 2026, Kentucky Power Company (Kentucky Power) filed a Motion to Amend the Procedural Schedule requesting to extend when supplemental briefs are due until April 6, 2026. Subsequently, on March 6, 2026, East Kentucky Power Cooperative, Inc. and the Company, separately, filed responses to Kentucky Power's Motion not opposing their request. On March 12, 2026, the Commission issued an order amending the procedural schedule, such that supplemental briefs would be due by April 6, 2026, and responsive briefs by April 20, 2026.

III. DISCUSSION OF NET METERING AND INTERCONNECTION GUIDELINES

Duke Energy Kentucky Continues to Maintain the Position that it is Best for Interconnection Guidelines to be Distinct from Net Metering Guidelines

As it recommended in its April 19, 2021 Brief, Duke Energy Kentucky continues to recommend that one set of guidelines govern interconnections (regardless of tariff,

³ FERC Order No. 2222, Final Rulemaking, Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators, 172 F.E.R.C. 61,247 (Sept. 17, 2020) (to be codified at 18 CFR part 35) (FERC Order No. 2222).

⁴ *In the Matter of Electronic Investigation of Interconnection and Net Metering Guidelines*, Case No. 2020-00302, Brief (Apr. 19, 2021).

including for non-renewable generating facilities) and another separate set of guidelines govern net metering. Duke Energy Kentucky has moved in this direction in the intervening time period by creating a distinct interconnection tariff sheet⁵ in its tariff that is separate from its two net metering tariffs.

The Commission should, in recognition of the need for interconnection guidelines for non-net-metering customers, update the interconnection guidelines to add appropriate application, study processes, and fees, for prospective applicants of capacities over 45kW who do not seek to participate in net metering. Even though such applicants are not participating in net metering, their interconnection to utility systems must be appropriately evaluated for safety and reliability concerns, a process which can require considerable time and effort. As discussed further below, this would likely entail adding Application Levels and/or adjusting kW thresholds for existing levels.

As the Company previously recommended: if, after interconnecting, an entity subsequently wishes to switch from net metering to participation in the wholesale market or vice-versa (assuming it is otherwise eligible), then it would need to update the utility managing the distribution system and complete whatever supplementary studies the utility requires, if any, to ensure that the change would not impact the safety and reliability of the distribution system.

Cost Allocation Should Be Provided For If Updates to the Interconnection Guidelines Require Improvements to Utility Billing or Distribution Dispatch Systems

If this investigation results in changes to the guidelines that require utilities to make improvements to their billing or distribution dispatch systems, the Commission should also authorize cost recovery from retail customers for such changes.

⁵ See KY. P.S.C. Electric No. 2, Sheet No. 83.

Additional Updates Should Be Made to the Interconnection Guidelines and Net Metering Guidelines After Separation

First, the current guidelines cap net metering customers at a rated capacity of 30 kilowatts,⁶ which should be updated to 45 kilowatts pursuant to the current KRS 278.465. In addition, KRS 278.465 through 278.468 has been revised since the last revision of the guidelines. For example, the definition of net metering has been revised. The guidelines should be revised to incorporate updated items as appropriate from KRS.

Second, the Commission should revisit the available Application Levels and consider adding additional levels, as well as re-evaluate the appropriate kW threshold for each Level. This could be done in one or more informal conferences.

Third, Duke Energy Kentucky believes it would be appropriate to permit a \$50 fee for Level 1 Applications and to delete the current language stating that no fees shall be charged.⁷ This minimal amount would be fair to cover the costs of review and processing of a Level 1 Application.

IV. DISCUSSION OF FERC ORDER NO. 2222

Background on FERC Order No. 2222 and Most Recent FERC Filing

Under FERC Order No. 2222, individual distributed energy resources (DERs) will be permitted to aggregate together to meet size and performance requirements for participating in wholesale markets.⁸ FERC will have exclusive jurisdiction over the criteria for participating in wholesale markets. However, retail regulators, such as the Commission, will remain responsible for the standards governing the interconnection of individual DERs

⁶ *Id.*, Appx. A, p. 1.

⁷ *Id.*, Appx. A, p. 6.

⁸ *See* FERC Order No. 2222, ¶ 5.

for the purpose of participating in wholesale markets through a DER aggregation.⁹ As FERC explained:

[W]e decline to exercise jurisdiction over the interconnection of an individual distributed energy resource seeking to participate in RTO/ISO markets exclusively as part of an aggregation. ***We expect that the state and local interconnection processes for distributed energy resources will provide the appropriate platform to address and study potential distribution system impacts and provide the necessary information to inform distribution utility review during distributed energy resource aggregation registration.*** However, to the extent that some existing state and local interconnection processes do not already capture such information, ***this final rule in no way prevents state and local regulators from amending their interconnection processes to address potential distribution system impacts that the participation of distributed energy resources through distributed energy resource aggregations may cause.*** In addition, coordination between RTOs/ISOs, distributed energy resource aggregators, relevant electric retail regulatory authorities, and distribution utilities during the registration and distribution utility review processes should provide RTOs/ISOs with the information they need to study the impact of distributed energy resource aggregations on the transmission system.¹⁰

This will likely not only require the Commission to review and approve updates to electric distribution company (EDC) tariffs, but also potentially to implement changes to existing state standards and regulations.

Pursuant to an order issued by FERC on May 1, 2025, the compliance filings of PJM Interconnection, L.L.C. (“PJM”) with Order No. 2222 have been accepted, with an effective date of February 1, 2028, to permit PJM sufficient time to complete the software

⁹ See *id.*, ¶ 294.

¹⁰ *Id.*, ¶ 294 (emphasis added).

and application upgrades necessary to implement the required market changes.¹¹ Duke Energy Kentucky’s concerns and recommendations for the implementation of Order No. 2222 remain substantially unchanged since its previous brief was filed on April 19, 2021, in this proceeding. For ease of review, Duke Energy Kentucky reproduces those comments below.

Duke Energy Kentucky Comments On Order No. 2222 Implementation

As EDCs and retail regulators such as the Commission work together to integrate wholesale-participating DERs into the distribution grid, it is crucial that this be accomplished in a manner that does not compromise the existing reliability, safety, and security of the distribution grid, utility workers, and customers.

First, the interconnection guidelines discussed earlier in this Brief should be modified to account for the additional review and study that DERs will require under Order No. 2222 to determine aggregation eligibility. Such review of DER aggregator registration requests with PJM will include determinations that a DER “(1) is capable of participating in an aggregation, *e.g.*, the distributed energy resource is not already participating in a retail distributed energy resource program in which the relevant electric retail regulatory authority conditioned the resource’s participation on not participating in RTO/ISO markets; and (2) does not pose significant risks to the reliable and safe operation of the distribution system.”¹² This PJM registration review will be on a separate timeline after the

¹¹ *PJM Interconnection, L.L.C.*, No. ER22-962-007, 191 FERC ¶ 61,097, 61,641 (2025) (“As PJM persuasively explains, it needs to complete major software and application upgrades before it can implement the DER Aggregator Participation Model. . . . Accordingly, we direct PJM to file, within 30 days of the date of this order, revised tariff records to implement the February 1, 2028 effective date, as PJM proposes.”).

¹² FERC Order No. 2222, ¶ 296.

interconnection process and must be completed within 60 days for an initial review and additional time to resolve any disputed determinations.

Second, the Commission should support EDCs in protecting the security of the distribution grid and protecting customer privacy. Among other things, access to EDC customer and distribution system planning and operations data should be strictly limited and operational system data should be protected. Insofar as EDCs may incur costs to develop and implement additional cybersecurity standards and protections to comply with FERC Order No. 2222, the Commission should provide for the recovery of such costs.

Third, distribution system upgrades may be necessary to avoid overloads or violations on distribution equipment stemming from the participation of DER aggregations in the wholesale market. Larger aggregations and aggregations of a large quantity of smaller resources, especially, may create the potential for operational issues, such as the injection of energy through the distribution system onto the transmission system. If EDCs are required to make such upgrades to physical assets or software, they should be able to recover the costs.

Fourth, the Commission should be aware that implementing the necessary metering and telemetry requirements for DERs under Order No. 2222 could impact established retail programs. In the future, for example, a single-family home in Kentucky might have multiple DERs that participate in different markets in different ways. A rooftop solar installation might be used to participate in a DER aggregation under Order No. 2222, while at the same time the homeowner's electric vehicle might participate in a retail demand response program or be part of a separate DER aggregation. The homeowner could also participate in a Company demand response program that was utilized by the Company and

offered into the PJM capacity market. All such items would have their own measurement and performance reviews, pursuant to federal or state tariffs and regulations and measuring each accurately might require coordination of load impacts, increased analysis, separate metering and/or metering at different interval frequency levels. To avoid waste and inefficiency, as well as unduly increased costs, the Commission should endeavor to support coordination efforts among the different metering and telemetry requirements.

V. **CONCLUSION**

Duke Energy Kentucky appreciates the opportunity to offer this Brief regarding the Commission's investigation into the net metering interconnection guidelines and FERC Order No. 2222. The Company supports the Commission's investigation and is confident that the Commission will fairly account for all utilities' issues and concerns.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

/s/Larisa M. Vaysman

Rocco O. D'Ascenzo (92796)

Deputy General Counsel

Larisa M. Vaysman (98944)

Associate General Counsel

Duke Energy Business Services LLC

139 East Fourth Street, 1303-Main

Cincinnati, OH 45202

(513) 287-4320 (t)

(513) 370-5720 (f)

Rocco.D'ascenzo@duke-energy.com

Larisa.Vaysman@duke-energy.com

Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on April 6, 2026; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.¹³

/s/Larisa M. Vaysman
_____ *Counsel for Duke Energy Kentucky, Inc.*

¹³ *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Order, Case No. 2020-00085 (Ky. P.S.C. July 22, 2021).