

**STAFF REPORT  
DIVISION OF INTEGRATED DISTRIBUTION PLANNING**

**July 19, 2022**

**Subject:**

Staff recommends that the Commission initiate contested proceedings pursuant to Sections 10-101 and 10-101.1(d) of the Public Utilities Act (Act) for the purpose of determining whether the Commonwealth Edison Company's (ComEd's) and the Ameren Illinois Company's (Ameren's) Multi-Year Integrated Grid Plan (Plan) is reasonable, complies with the objectives and requirements of Section 16-105.17 of the Act, and reasonably incorporates input from parties to the proceeding.

**Background:**

Public Act 102-0662 added Section 16-105.17, entitled "Multi-Year Integrated Grid Plan," to the Act. Section 16-105.17, in very broad summary, requires each electric utility serving more than 500,000 retail customers in Illinois to formulate and submit for Commission approval a Plan that complies with the Section. Under Section 16-105.17, each utility must formulate its Plan so that the Plan, over a five-year planning horizon, coordinates distribution system investments in such a way as to effectuate the broad policy goals expressed in Section 16-105.17(d). Section 16-105.17(f) prescribes detailed substantive and informational requirements with which Plans must comply. The latter are described in some detail below, and in greater detail in Appendix 1 to this Report.

**The Workshop Process:**

Section 16-105.17(e) requires that an extensive workshop process be conducted prior to the initiation of contested proceedings, enabling stakeholders and members of the public to offer comment regarding what should be contained in each utility's Plan. In compliance with this requirement, a series of workshops – six for each utility - were conducted between December 20, 2021 and May 20, 2022; these workshops were facilitated by a Commission-retained Facilitator, EnerNex. The workshop process is described in detail in the Facilitator's Report,<sup>1</sup> which was submitted to the Commission on or about July 1, 2022.

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<sup>1</sup> The Facilitator's Report, while offering a detailed summary of matters discussed in the course of the workshop process, is as a matter of law, not competent evidence of any of the substantive discussions engaged in by participants in that process.

**Summary of Plan Requirements:**

In general terms, each utility's Plan must be designed to:

- ensure coordination of the State's renewable energy goals, climate and environmental goals with the utility's distribution system investments, and programs and policies over a 5-year planning horizon to maximize the benefits of each while ensuring utility expenditures are cost-effective;
- optimize utilization of electricity grid assets and resources to minimize total system costs;
- support efforts to bring the benefits of grid modernization and clean energy, including, but not limited to, deployment of distributed energy resources, to all retail customers, and support efforts to bring at least 40% of the benefits of those benefits to Equity Investment Eligible Communities. Nothing in this paragraph is meant to require a specific amount of spending in a particular geographic area;
- enable greater customer engagement, empowerment, and options for energy services;
- reduce grid congestion, minimize the time and expense associated with interconnection, and increase the capacity of the distribution grid to host increasing levels of distributed energy resources, to facilitate availability and development of distributed energy resources, particularly in locations that enhance consumer and environmental benefits;
- ensure opportunities for robust public participation through open, transparent planning processes;
- provide for the analysis of the cost-effectiveness of proposed system investments, which takes into account environmental costs and benefits;
- to the maximum extent practicable, achieve or support the achievement of Illinois environmental goals, including those described in Section 9.10 of the Environmental Protection Act and Section 1-75 of the Illinois Power Agency Act and emissions reductions required to improve the health, safety, and prosperity of all Illinois residents;
- to the extent practicable and reasonable, all programs, policies, and initiatives proposed by the utility in its plan should be informed by stakeholder input received during the workshop process pursuant to Section 16-105.17(e). Where specific stakeholder input has not been incorporated in proposed programs, policies, and

plans, the electric utility shall provide an explanation as to why that input was not incorporated.

- support existing Illinois policy goals promoting the long-term growth of energy efficiency, demand response, and investments in renewable energy resources;
- provide sufficient public information to the Commission, stakeholders, and market participants in order to enable non-emitting customer-owned or third-party distributed energy resources, acting individually or in aggregate, to seamlessly and easily connect to the grid, provide grid benefits, support grid services, and achieve environmental outcomes, without necessarily requiring utility ownership or controlling interest over those resources, and enable those resources to act as alternatives to utility capital investments; and
- provide delivery services at rates that are affordable to all customers, including low-income customers.

Each utility's Plan must include, at minimum and again in broad summary, the following information:

- A description of the utility's distribution system planning process, including, an overview of the utility's internal planning process, a description of how the utility coordinates planning with any Regional Transmission Operator, and a summary of any meetings with stakeholders;
- A detailed description of the current operating conditions for the distribution system for each of the utility's operating areas if possible, including information regarding: length and size of the system, location of interconnected DERs, distribution line loss, current and expected SAIFI and CAIDI data for the system, software and data management systems, the utility's most recent system load and peak demand forecast for the next 5 - 10 years, and a discussion of how the forecast was prepared including the manner in which DER and EE were factored into the forecast, and identification of the forecasting software currently used and planned software deployments.
- Financial data for the preceding five years, including investments tracked by specified categories and operations and maintenance expenses, as well as investment and expense estimates for the upcoming five years;
- Data regarding interconnected DERs;
- Hosting capacity and interconnection requirements;
- Distribution planning scenarios used in developing the Plan;

- An analysis evaluating the costs and benefits of incorporating DER into the distribution system;
- Planned capital investments over a five-year planning horizon, including an assessment of how such investments are consistent with law, regulations and Commission orders regarding the integration of DER, EE and Commission-approved performance metrics;
- Historic and planned operations and maintenance expenditures, with a description of the process by which the utility determined these expenditures should be made;
- A detailed plan describing the manner in which the utility will satisfy performance and tracking metrics established in pending Commission dockets initiated for that purpose (Docket Nos. 22-0063 and 22-0067), including a description of how the plan will benefit low-income and environmental justice communities, and an analysis of the manner in which use of current and projected flexible resources will aid in the process;
- An identification of potential cost-effective solutions from nontraditional and third-party-owned investments that could meet anticipated grid needs, including, but not limited to, distributed energy resources procurements, tariffs or contracts, programmatic solutions, rate design options, technologies or programs that facilitate load flexibility, nonwires alternatives, and other solutions that are intended to meet the objectives described at subsection (d).
- A detailed description of the utility's interoperability plan, which must describe the manner in which the electric utility's current and planned distribution system investments will work together and exchange information and data, the extent to which the utility is implementing open standards and interfaces with third-party distributed energy resource owners and aggregators, and the utility's plan for interoperability testing and certification.

In addition to these requirements, each utility's Plan must propose distribution system investment programs, policies, and plans designed to optimize achievement of the objectives of Section 16-105.17 and achieve the performance and tracking metrics to be approved by the Commission in Docket Nos. 22-0063 (Ameren) or 22-0067 (ComEd).

To the extent practicable and reasonable, all programs, policies, and initiatives proposed by the utility in its Plan should be informed by stakeholder input received during the workshop process pursuant to Section 16-105.17(e). Where specific stakeholder input has not been incorporated in proposed programs, policies, and plans, the utility is directed to provide an explanation as to why that input was not incorporated.

The statutory requirements with which each utility is required to comply is recited in Appendix 1 to this Report.

**Statutory Procedure for Approval / Modification / Rejection of Utility Plans:**

Under Section 16-105.17(e)(8), the Commission must, no later than August 1, 2022, issue initiating orders requiring the electric utilities subject to Section 16-105.17 to file the first Multi-Year Integrated Grid Plan no later than January 20, 2023. Pursuant to Section 16-105.17(f)(5), each initiating order must commence a contested proceeding as described in Section 10-101.1(d) of the Act, which authorizes the Administrative Law Judge(s) to convene a case management conference in a contested case. Under Section 16-105.17(f)(8), at some point between issuance of each initiating order and the filing of Plans, the Commission is to cause a case management conference to be conducted and to take any appropriate steps to begin meaningful consideration of issues, including enabling interested parties to begin conducting discovery.

Thereafter, the Commission shall, after notice and hearing, modify each utility's Plan as necessary to comply with the objectives of Section 16-105.17. The Commission may approve, or modify and approve, a Plan only if it finds that the Plan is reasonable, complies with the objectives and requirements of Section 16-105.17, and reasonably incorporates input from parties. The Commission may reject each electric utility's Plan if it finds that the Plan does not comply with the objectives and requirements of Section 16-105.17. In any event, the Commission must enter its Order approving, with or without modifications, or rejecting each utility's Plan no later than December 15, 2023. If the Commission rejects a utility's plan, the utility must refile a Plan within three months after the Commission's order rejecting the Plan.

With respect to confidential information contained in Plans, Section 16-105.17(f)(3) states the proponent of the designation has the burden of showing the need for the designation under the Commission's rules. For data determined to be confidential or including personally identifiable information, the Commission may develop procedures and processes to enable data sharing with parties and stakeholders while ensuring the confidentiality of the information.

**Staff Recommendations Regarding Conduct of Contested Proceedings:**

Staff recommends that the Commission initiate contested proceedings pursuant to Sections 10-101 and 10-101.1(d) of the Act, for the purpose of determining whether each utility's Plan is reasonable, complies with the objectives and requirements of Section 16-105.17, and reasonably incorporates input from parties.

Staff recommends that at the discretion of the assigned ALJ(s), an initial status hearing be held in each proceeding, which shall serve as a Case Management Conference,

satisfying the statutorily-required case management order, and at which details of the procedure outlined below may be discussed.

Staff further recommends that each public utility be directed to schedule, provide notice, and convene one or more meetings with the other parties to the docket with the purpose of discussing both procedural and non-procedural issues; these meetings shall satisfy the requirement that the Commission must take the “appropriate steps to begin meaningful consideration of issues, including enabling interested parties to begin conducting discovery,” Section 105.17(f)(5)(D), (“Issues Meetings”). As discussed below, at the conclusion of the Issues Meetings, each utility shall file a report with the ALJ(s) in the docket to assist with case management. The first such Issues Meeting should be convened no later than August 18, 2022.

#### Issues Meetings:

Staff further recommends that each utility be directed to file a notice in this docket no later than August 1, 2022 regarding convening Issues Meetings. That notice should identify the meeting dates, call-in information, if applicable and if available, and an initial list of general topics that will allow for discussions regarding issues that might be resolved collaboratively and that are material to the grid plan and which advance the goals identified in the Act. At least three business days before the first scheduled Issues Meeting, other parties to the docket may inform the utility, with copies to the service list, of specific additional issues that they would like to address at an Issues Meeting, and the meeting at which they propose to discuss those issues, in the interest of fostering collaborative dialogue. These meetings should be held as confidential settlement discussions in accordance with Rule 408.

#### Procedural Meetings:

Staff further recommends that no later than September 8, 2022, each utility should be directed to convene one or more meetings to be specifically focused on procedural issues (“Procedural Meetings”), including the following:

- A discussion of the major elements that will included in the Grid Plan;
- The proper scope of discovery during the period between the Commission’s Initiating Order and the filing of the Grid Plan by the utility;
- The timing of and form of discovery after filing of the utility Grid Plans, including a proposed method of sharing of information, and any changes to the protective order, which should balance transparency with the security of utility and customer information; and

- A procedure process and timeline for developing a procedural schedule to be entered for the orderly development and submission of evidence and post-hearing briefing.

Achieving consensus on these procedural issues, if possible, with some or all parties or identifying the areas of disagreement between some or all parties will facilitate the efficient use of resources and help meet the collaborative goals of the grid planning process, as identified in Section 16-105.17. Accordingly, the parties should be prepared to address in good faith and attempt to have meaningful consideration of the procedural issues, when possible.

The last Procedural or Issues meeting should occur on or before October 31, 2022.

The public utility should be directed to prepare and file a case management report after conclusion of the Issues Meetings and the Procedural Meetings, but in no event later than December 2, 2022, a draft of which should be shared with the other parties for feedback prior to filing on eDocket. The case management report should:

- Reflect the areas of consensus procedural issues; and
- Reflect the areas of non-consensus procedural issues, which could assist the Commission with scheduling and potential resolution of issues during the course of the docket.

The ALJ(s) should, if s/he or they deem it advisable hold one or more case management conferences at any time after due notice is given to the public in accordance with the Commission's rules, but a case management conference should be scheduled no later than 90 days from the date of the initiating order to give the parties time to conduct initial meetings and report on progress. Any final case management conference, including any status hearing to discuss or resolve non-consensus procedural issues, should be held no later than December 16, 2022 to allow the public utility time to finish developing its grid plan in advance of the January 20, 2023 filing date.

#### Protective Order:

Staff recommends that the approved Protective order from the Commission grid plan workshops be adopted for use in this proceeding until such time as the utility files, and receives approval for, an amended protective order. Individuals should be required to file Form 1s specific to these proceedings, regardless of whether s/he or they previously completed and submitted Form 1s in the grid plan workshops. The Protective Order is attached as Appendix 2 to this Staff Report.

#### Summary of Recommendations:

Staff recommends that the Commission enter the accompanying Initiating Orders, which make findings and conclusions, and order initiation of contested proceedings, consistent with the recommendations made by Staff in this Report.

Approved by:

A handwritten signature in black ink that reads "Scott A. Struck". The signature is written in a cursive style with a large initial 'S'.

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Scott A. Struck, Director

Division of Integrated Distribution Planning