

OFFICIAL
EXHIBITS

STATE OF INDIANA

FILED
August 20, 2020
INDIANA UTILITY
REGULATORY COMMISSION

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 TARIFF RATE FOR THE)
PROCUREMENT OF EXCESS DISTRIBUTED)
GENERATION PURSUANT TO IND. CODE §)
8-1-40 ET SEQ.)

CAUSE NO. 45378

URC
INTERVENOR'S - SI

EXHIBIT NO.

11-17-20

DATE

REPORTER

SOLARIZE INDIANA, INC. SUBMISSION OF TESTIMONY

Solarize Indiana, Inc., respectfully submits the testimony of Jay Picking in the above referenced Cause to the Indiana Utility Regulatory Commission.

Respectfully submitted,

Russell Ellis

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by electronic mail this 20th day of August, 2020, to the following:

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Russell Ellis

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) CAUSE NO. 45378
OF A TARIFF RATE FOR THE)
PROCUREMENT OF EXCESS)
DISTRIBUTED GENERATION)
PURSUANT TO IND. CODE § 8-1-40 ET
SEQ.**

**DIRECT TESTIMONY OF JAY W. PICKING
ON BEHALF OF
SOLARIZE INDIANA, INC.
AUGUST 20, 2020**

1 **Q. Please state your name and address.**

2 A. My name is Jay W. Picking. My address is 68 Oak Meadow Rd., Evansville, IN 47725.

3 **Q. On whose behalf are you testifying?**

4 A. I am testifying on behalf of Solarize Indiana, Inc. (“Solarize” or “SI”).

5 **Q. Have you testified before the IURC before?**

6 A. No.

7 **Q. What is the purpose of your testimony in this proceeding?**

8 A. My testimony on behalf of Solarize Indiana, Inc., is to encourage the Commission to
9 reject or modify the request by Vectren for its proposed EDG tariff, because approval of
10 this request as filed will seriously damage Solarize Indiana and the work it does in the
11 Vectren service territory to facilitate residential solar for home and business owners.

12 **Q. Please summarize your educational background and professional experience.**

13 A. I graduated from Lehigh University in 1953 with a Bachelor of Science degree in
14 Mechanical Engineering. From 1953 – 1956, I served in the United States Air Force pilot
15 training program as a flight instructor. From 1956 – 1971, I worked in various positions
16 for TRW, Inc. I ended my career there as a Program Manager for several NASA and
17 other government programs on experimental classified projects. From 1971 – mid-1974,
18 I was a Program Manager for the Cummins Engine Company. From mid-1974 – mid-
19 1977, I was Vice President of Engineering for Chayes Virginia Co., a dental products
20 manufacturer, in Evansville, IN. From mid-1977 – 1986, I was employed by Arkla
21 Industries, Inc., and eventually Preway, Inc., and served in many different positions
22 including National Sales Manager for solar products, Director of Gas Grill Engineering,
23 and eventually Vice President of Engineering. From 1986 – 1996, I was employed by
24 Southern Indiana Gas and Electric Company (“SIGECO”) and retired from there in 1996.
25 I held a number of positions at SIGECO including Economic Development Director,
26 Director of Marketing, and finally Director and then Vice President of Gas Operations.

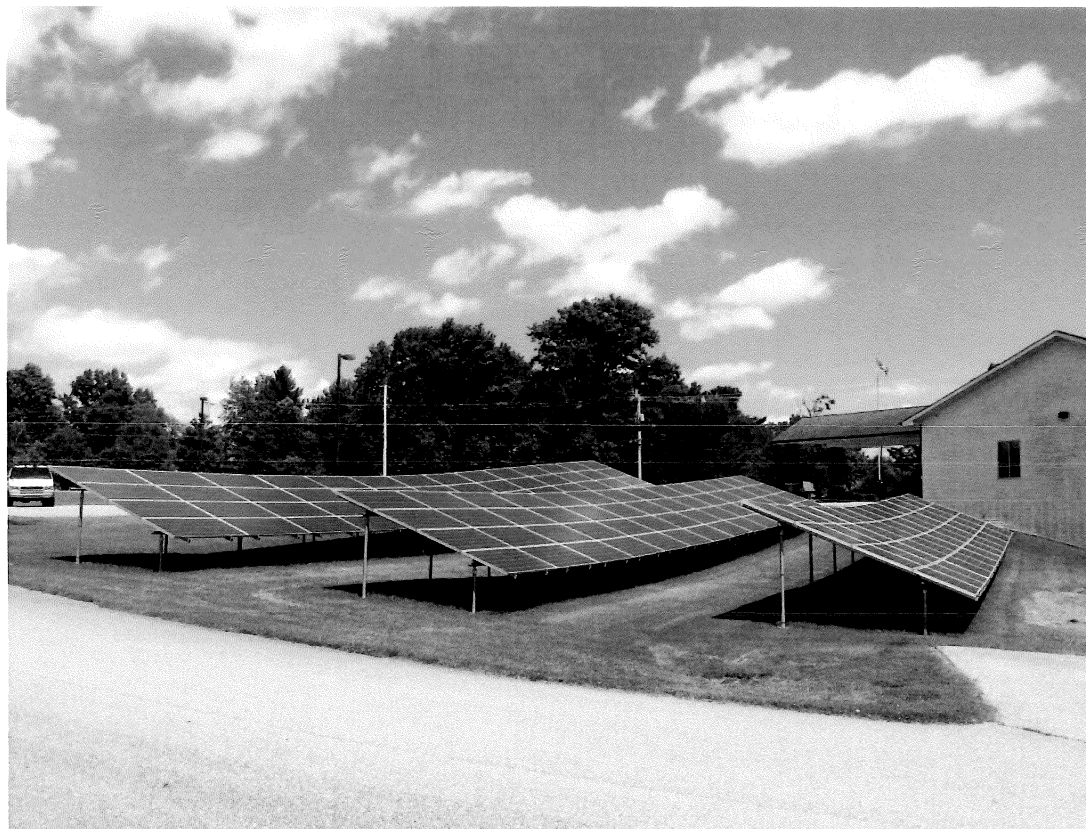
1 Interesting projects during my career include:

- 2 • An experimental solar project at TRW which was a thermal system using
3 parabolic solar panels to concentrate energy to a boiler using heat storage to drive
4 a turbine-alternator.
- 5 • In the late 1970s, the U.S. Department of Energy funded commercial projects
6 using Arkla 25-ton absorption chillers. These systems used thermal solar panels
7 to produce heat, hot water, and air conditioning. Some of the projects I worked
8 on include Mt. Rushmore, Land Between the Lakes (KY), and a U.S. Postal
9 Service building in Puerto Rico.
- 10 • Finally, during late 1977, my employment at Arkla Industries enabled me to
11 participate in the design of a very efficient home in the Oak Meadow subdivision
12 of Evansville, IN. The design used PPG thermal collectors and a 3-ton absorption
13 chiller. I conducted numerous tours of this home for the public and for school
14 children to explain its operation.

15 **Q. What relevant activities have you been engaged in since your retirement?**

16 A. I have been involved with solar systems since 2016 when Bethlehem United Church of
17 Christ (“UCC”) decided to investigate installation of a solar system on their campus. I
18 was invited to join their “Green Team” because I had prior knowledge and experience
19 with solar, and I was a retired Vice President of SIGECO (now Vectren – Center Point
20 Energy). The timing of this activity was attributable, in part, to the introduction and
21 subsequent withdrawal of House Bill 1320 in the 2015 Indiana General Assembly to end
22 net metering. It was also attributable, in part, to the expectation at the time that the
23 federal Investment Tax Credit (“ITC”) for solar installations might expire at the end of
24 2016 (although, as it worked out, the ITC was extended by Congress as part of the Tax
25 Cuts and Jobs Act enacted in January 2017).

26 During the process of this investigation, the “Green Team” prepared requests for
27 proposals and sent them out to five solar firms for bids. The church asked for bids for
28 rooftop, ground-mounted, and car parking solar structures.



1
2 The specifications were for a system that would produce between 80-90% of the annual
3 energy usage. The selected system was 54.4 kW. Electrical cost savings have dropped
4 the previous electricity expenditure of about \$12,000/year to approximately \$4,000/year.
5 The three (3) ground arrays have averaged 69,100 kWh/yr. I have personally monitored
6 this solar system since its inception and prepared reports for our “Green Team” and
7 members of the congregation.

8 Financing a solar project for a church is quite different compared to residential
9 installations in that, as a non-profit organization, a church is not eligible for an
10 Investment Tax Credit (“ITC”) and it is in a Vectren Rate Structure DGS-1 or 2 that has
11 demand charges. Thus, in financing the Bethlehem UCC installation, our “Green Team”
12 reviewed options including loans, charitable donations, tax equity arrangements, and a
13 cash purchase using church endowment funds. We also reviewed operational changes to
14 reduce demand charges and improve our efficiency in the use of electricity.

1 During the development period, we met with Vectren representatives regarding various
2 matters relating to the interconnection and operation of the solar system in parallel with
3 the Vectren distribution system. We were advised by these Vectren representatives to
4 complete the installation before December 31, 2016 because another bill similar to House
5 Bill 1320 might come up again in 2017 and, if enacted, affect net metering. This
6 legislation was, in fact, introduced and enacted in 2017 as Senate Enrolled Act 309.

7 **Q. Please describe your volunteer role with Solarize Indiana**

8 A. For the last several years, teams of volunteers have been involved as “Solarize
9 Evansville” and “Solarize Indiana - Tri State”, both working with Solarize Indiana. For
10 the experience of the Solarize Evansville team during 2017 following the enactment of
11 SEA 309, please see the testimony of SI witness Jean Webb. Following a reorganization
12 of the team during 2018, I became a Solarize Indiana team leader in 2019.

13 In 2019, the Solarize Evansville team conducted educational meetings in public libraries
14 for the public primarily to help educate them on the advantages of adding solar to their
15 homes. Initially, three meetings were scheduled with attendance of 50 persons at each
16 venue. Due to the demand, five additional meetings were also scheduled. From among
17 those Vectren customers attending these meetings who expressed interest in actually
18 receiving solar installation proposals, thirty-five homeowners signed contracts with our
19 selected partner, Morton Solar.

20 **Q. Please describe Solarize Indiana – Tri State team activities in 2020.**

21 A. In 2020, because of the novel coronavirus, the Solarize Evansville – Tri State team has
22 conducted eight meetings virtually via Zoom. Potential customers are wanting to know
23 the potential return on their investment if they choose to proceed. Factors influencing
24 return on investment (ROI) include but are not limited to:

- 25 • Installation of the solar system before December 31, 2020, includes the net
26 metering arrangement until 2032.
- 27 • Vectren’s proposed EDG rate filing in this Cause would eliminate net metering
28 for installations in 2021 or later years.

- 1 • The Investment Tax Credit is currently at 26%.
- 2 • Future decreases will drop the ITC to 22% for 2021 and will eliminate the ITC for
- 3 the residential customers in 2022.

4 For these reasons, new solar installations completed in 2021 will unquestionably have a
5 longer forecasted payback period and lower forecasted rates of ROI than those completed
6 in 2019 or 2020.

7 **Q. Please describe your concerns with Vectren's proposed EDG tariff.**

8 A. I have attended all of the Vectren 2019-2020 Integrated Resource Plan ("IRP") meetings
9 and have been pleased to see that the Company has decided to include a relatively high
10 percentage of "renewables" in its proposed preferred portfolio. However, the recent
11 filing by Vectren for its proposed EDG tariff will practically destroy the residential solar
12 market in its service territory, in my opinion. While SEA 309 phased out Net Metering,
13 it deferred the phase-out to 2032 for installations occurring before a utility reaches its
14 1.5% cap or June 30, 2022, whichever comes sooner. So, Net Metering is still available
15 under SEA 309 to those Vectren customers installing solar systems before the end of
16 2020. Moreover, even after Net Metering has been phased out, SEA 309 still provides
17 important policy support for solar by authorizing a customer's generation to offset its
18 own consumption during the same billing period. So, I believe that Vectren is incorrect
19 by interpreting SEA 309 to limit that offset more than the General Assembly intended by
20 redefining "excess distributed generation" on an instantaneous rather than a billing period
21 basis. Vectren's proposed interpretation of SEA 309 almost completely eliminates any
22 incentive to "go solar."

23 In my opinion, the current net metering framework has allowed a reasonable ROI to be
24 achieved by residential homeowners installing solar. However, the proposed EDG tariff
25 utilizing such a low compensation rate and smart meters for netting excess generation
26 will reduce that ROI. Vectren's proposed tariff is also causing confusion, concern, and
27 difficulty in estimating potential savings and ROI because the Company cannot provide

1 comparative data for actual customers individually, or for even a hypothetical “typical”
2 customer for illustration purposes.

3 Instead, the example included in Vectren’s testimony comparing two months bills for one
4 customer who the Company itself says is not “typical” is discouraging people from
5 deciding to become solar owners. That example shows that a Net Metering customer
6 paying bills of approximately \$21 in April 2019 and \$233 in August 2019 would,
7 assuming the same electricity usage and solar generation, have paid bills under the
8 proposed EDG Tariff of approximately \$173 in April and \$350 in August.

9 As a result, in my opinion based on my experience as the Solarize Evansville Team
10 Leader for 2019 and 2020, Vectren’s EDG proposal will discourage prospective solar
11 purchasers in its service territory from making a significant investment in residential solar
12 after December 31, 2020.

13 I believe that unless Vectren’s proposal is changed by the Company or the Commission,
14 we will see little interest in the residential solar market in the Evansville area with the
15 EDG tariff.

16 The objective of Solarize Indiana since its inception has been to protect the environment
17 through the use of renewable energy, especially customer-owned solar. Customer-owned
18 solar achieves this objective by permitting homeowners to invest their own capital to
19 reduce their own emissions of green-house gases, ozone, and other contaminants. I
20 believe that this opportunity for homeowners is a critical element of federal and state
21 environmental and energy policy and should be preserved.

22 It is also my expectation that as other utilities in the state meet the 1.5% peak load
23 minimum standard set by SEA 309 for Net Metering, they will also file EDG style tariffs
24 in 2021. If it is based on the Vectren model proposed in this proceeding, the advantages
25 of residential solar for homeowners will disappear in Indiana, eliminating what I consider
26 to be a critical element of this state’s environmental and energy policy.

27 **Q. Does this conclude your testimony?**

1 A. Yes, at the present time.

VERIFICATION

I, Jay W. Picking, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Jay W. Picking

August 20, 2020

Date