



**INTERNATIONAL  
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**LONNIE R. STEPHENSON**  
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September 1, 2016

**VIA ELECTRONIC MAIL**

To: The Honorable Travis Kavulla and Members of the National Association of  
Regulatory Utility Commissioners (NARUC) Staff Subcommittee on Rate Design

**Re: Manual on Distributed Energy Resources Compensation**

Dear President Kavulla and Members of the NARUC Staff Subcommittee on Rate Design:

On behalf of the approximately 725,000 active members and retirees of the International Brotherhood of Electrical Workers (IBEW), I appreciate the opportunity to offer some thoughts on the Distributed Energy Resources Compensation Manual you are developing.

The IBEW commends the efforts by NARUC and staff on the Draft Rate Design Manual. The IBEW believes that all state utility commissions must have proper rate design to ensure that electric power companies are fully compensated for the services the power grid provides now and in the future.

In the Final Rate Design Manual, I encourage NARUC and staff to include language ensuring that all customers who use the power grid will continue to share equitably in the costs of maintaining the grid and keeping it operating reliably.

The value of Distributive Energy Resources to the Distribution systems is typically small. The wires to the home, as well as other associated infrastructure, are the same with or without renewables. This infrastructure is necessary to ensure that reliability is maintained and the grid meets the needs of all customers.

Additionally, I encourage NARUC and the Staff Subcommittee to recognize the value of baseload generation considering the intermittency of Distributed Energy Resources. I ask that NARUC and staff include policies that promote the grid's baseload generation during the ongoing transformation of the grid and technologies. Our large baseload plants provide the stability we need to continue to add more variable resources.

Finally, I ask that NARUC adopt the Final Rate Design Manual at the upcoming annual meeting this November. The Rate Design Manual will be an important resource for state utility commissions when considering rate design cases and ensuring that everyone is paying for the use of the grid equitably.

Sincerely yours,

A handwritten signature in black ink that reads "Lonnie Stephenson".

Lonnie R. Stephenson  
International President

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