

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider  
Streamlining Interconnection of Distributed  
Energy Resources and Improvements to  
Rule 21.

Rulemaking 17-07-007  
(Filed July 13, 2017)

**STATUS REPORT OF THE CLEAN COALITION ON BEHALF OF WORKING  
GROUP TWO IN RESPONSE TO ADMINISTRATIVE LAW JUDGE'S RULING  
REQUESTING MONTHLY STATUS UPDATES ON WORKING GROUP TWO  
TO RULEMAKING 17-07-007.**

Kenneth Sahm White  
Director Economic & Policy Analysis  
Clean Coalition  
16 Palm Ct.  
Menlo Park, CA 94025  
831.295.3734  
sahm@clean-coalition.org

October 15, 2018

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider  
Streamlining Interconnection of Distributed  
Energy Resources and Improvements to  
Rule 21.

Rulemaking 17-07-007  
(Filed July 13, 2017)

**STATUS REPORT OF THE CLEAN COALITION ON BEHALF OF WORKING  
GROUP TWO IN RESPONSE TO ADMINISTRATIVE LAW JUDGE’S RULING  
REQUESTING MONTHLY STATUS UPDATES ON WORKING GROUP TWO  
TO RULEMAKING 17-07-007.**

**I. INTRODUCTION**

Pursuant to the Assigned Administrative Law Judge’s (“ALJ”) August 15, 2018 Ruling Requesting the December 1, 2018 status report required by the October 2, 2017 Scoping Memo to be replaced with a monthly status update, this report serves as the second and final update for Working Group Two. The monthly update shall include a summary of the progress made by each active working group and any disputes that have arisen, a description of the issues still to be resolved, and a proposed timeline and plan for addressing them. The monthly updates shall be filed and serviced on the service list on the 15th of each month, beginning on September 15, 2018. Clean Coalition provides the status report of the Working Group Two, on behalf of all parties in the Ruling.

Working Group Two is on schedule to file the Final Report by October 31, 2018.

**II. MONTHLY STATUS UPDATE**

Working Group Two has assiduously been collaborating to identify and pursue solutions and improvements to the five Issues scoped for Working Group Two. Working Group meetings concluded on October 10<sup>th</sup>, 2018, and final comments and

positions have been incorporated by Gridworks, communicated to Energy Division staff in preparation for submission of the Final Report, and made publicly available at <https://gridworks.org/initiatives/rule-21-working-group-2/>. A summary of the discussions for each of those Issues is below.

*Issue 6) Should the Commission require the Utilities to develop forms and agreements to allow distributed energy resource aggregators to fulfill Rule 21 requirements related to smart inverters? If yes, what should be included in the forms and agreements.*

The Working Group proposes to develop forms and agreements to allow distributed energy resource Aggregators to fulfill applicable Rule 21 requirements. Working Group participants did not take final positions on the Issue 6 proposal.

The draft Agreement appended to the proposal represents substantial progress, providing a basis for continued consideration.

The progress made by the Working Group toward that end is further documented by the draft Distributed Energy Resources Aggregation Agreement, which would govern the terms and conditions under which a DER Aggregator will provide the communication functions required under Section Hh, including its preliminary specification of:

- The Agreement's applicability;
- Responsibilities of the Supplier (DER Aggregator), including communications functions, cybersecurity and privacy procedures, and dual participation restrictions;
- Rights for testing and approval;
- Terms and conditions;
- Insurance requirements;
- Confidentiality provisions;
- And notice requirements.

This draft agreement is recognized as incomplete and in development by the Working Group, but nevertheless a basis for continued consideration of Issue 6.

To complete its consideration of Issue 6, Working Group participants agree it will be necessary to develop an application form and standards for supporting documentation.

*Issue 8) How should the Commission incorporate the results of the Integration Capacity Analysis into Rule 21 to inform interconnection siting decisions, streamline the Fast Track process for projects that are proposed below the integration capacity at a particular point on the system, and facilitate interconnection process automation?*

The Working Group has spent the vast majority of the meeting time addressing Issue 8 which is focused on how to modify the Rule 21 technical framework and study requirements for the safety and reliability requirements of interconnecting DERs. Integration Capacity Analysis (“ICA”) does not address all the components of analysis performed in the interconnection screens and thus required an accounting of how to properly use ICA within the process without undermining a safe and reliable interconnection. All Screens were diligently reviewed, and numerous sub-issues worked through and analyzed for most effective and efficient streamlining of the interconnection process while incorporating the ICA results, resulting in detailed proposals 8a-8v.

The Working Group spent much of its effort identifying and developing consensus proposals and exploring issues where consensus may exist. Where consensus could not be reached many parties have offered proactive solutions for the Commission’s consideration. In identifying changes to the Rule 21 tariff, members of the Working Group also identified where there are “threshold considerations” to adopting the recommended changes. These threshold considerations include 1) cost considerations, 2) implementation dependencies and 3) ICA validation.

Parties have reviewed and discussed all proposals in detail and have submitted comments indicating final positions on the proposals, as drafted and modified by the

Working Group. Full consensus was achieved on several issues, and areas of partial consensus and non-consensus have been refined and documented for consideration by the Commission and parties to the proceeding.

*Issue 9) What conditions of operations should the Commission adopt in interconnection applications and agreements to allow distributed energy resources to perform within existing hosting capacity constraints and avoid triggering upgrades?*

The Working Group stakeholders provided written feedback on the scope of Issue 9 which was incorporated into a scoping memo that subsequently went through a round of additional comments before finalizing. Issue 9 is linked with the proposals in Issue 8 given the usage of the ICA which resulted in scheduling Issue 9 discussions after making progress on Issue 8. Proposal 9 builds on Proposal 8.m and applies to DER which would accept certain conditions of operation. The proposal is to modify the interconnection procedures to allow a DER customer to submit a “Limited Generation Profile” as part of their Interconnection Application, to require that customer to enable generation profile limiting functionality, and to allow utility limited future opportunity to alter that profile if circumstances warrant. Parties did not reach final consensus but have refined the issue to present two options.

The joint IOU’s proposal was submitted without time for parties to review and provide comments, as such it will be included as an attachment to the Final Report. Per the schedule, parties will have an opportunity to discuss (during the anticipated workshop on the Final Report) and provide comments (as anticipated to be allowed per an forthcoming Ruling allowing comments on the Final Report).

*Issue 10) How can the Commission coordinate the Integration Capacity Analysis and each Utility’s Rule 21 processes with the Rule 2, Rule 15, and Rule 16 processes in order to improve efficiency of the overall interconnection process? This is a coordination issue at this time. However, modifications to Rules 2, 15, or 16 will be addressed if necessary.*

The Working Group non-IOU stakeholders presented the challenges that interconnection projects are experiencing when these projects require mitigations to be performed by the utilities which undergo an Engineering, Procurement, and Construction (“EPC”) process. Some examples of the issues presented were the overall cycle time of the EPC process, whether some serial processes can be performed in parallel such as starting the design for a Net Energy Metering Aggregation during the interconnection study process, and whether the utilities can perform design or engineering and construction within 60 businesses days each for upgrades below the substation. Following discussion by the Working Group, CALSSA proposed to standardize utility processes and timelines for interconnection applications which must be reviewed under Rule 2, Rule 15 and Rule 16. CALSSA’s proposal includes 8 parts, including:

Proposal 1: Assign a project manager for interconnection requests greater than 100KW

Proposal 2: Use of a single Project Identification Number

Proposal 3: For a project studied under Rules 2, 15 and 16, the customer shall be informed of the start date of that study.

Proposal 4: Engineering advance or the facility costs process

Proposal 5: Schedule a mitigation work scoping meeting process

Proposal 6: Design and cost estimation must be completed within 60 business days

Proposal 7: Construction of interconnection completed within 60 business days

Proposal 8: The utility shall send a detailed reconciliation of the costs of interconnection facilities and distribution upgrades, with refund of any amount paid in excess of actual costs, within 20 business days of project completion

Consensus was reached on Proposals 2 and 3, and parties communicated positions on the remaining proposals, including qualified support or opposition detailing specific concerns that should be addressed.

*Issue 11) Should the Commission adopt a notification-based approach in lieu of an interconnection application for non-exporting storage systems that have a negligible impact on the distribution system? If so, what should the approach entail?*

In considering this question, the Working Group began with fundamental questions of definition, including whether the meaning of “notification-based”, “non-exporting”, and “negligible” were shared. As a part of this threshold discussion, the Working Group explored what criteria would be used to determine which projects would be eligible for a notification only or other expedited process for non-exporting storage systems.

Building on the Working Group’s consideration of Proposal 8.i, Working Group One’s discussion of Issue 3<sup>1</sup>, and recently completed IOU Non-Exporting Storage Facilities Pilot Programs, the Working Group discussed the potential advantages and disadvantages of a notification-only system for non-exporting storage projects, barriers in the current interconnection application process that proposals to this Issue are intended to address, and how many projects are likely to benefit from addressing identified barriers.

Questions raised by the Working Group in considering Issue 11, and proposals address many of these questions; however, full coverage of this scope will require further effort.

The Working Group also noted that while Issue 11 was framed to focus on creating a more efficient process for non-exporting storage systems, Issue 25 expressly indicated that the Working Group should consider whether any revisions to the expedited process for non-exporting storage systems could be revised to “support tariff principles of technological neutrality and consistency across the Utilities.” Since there is considerable overlap between the processes proposed herein and Issue 25, the Working Group also discussed how to make this process as technology neutral and consistent as possible.

---

<sup>1</sup> See Working Group One Report at page 41

(<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M215/K187/215187299.PDF>)

Based on the Working Group's discussion, there was no consensus on whether the Commission should adopt a notification-based approach in lieu of an interconnection application at this time. On this question there was a breadth of perspective, substantial differences of opinion, and many unanswered questions which would need to be properly considered to resolve differences. As such, the Working Group took the position that in the immediate and near terms, the focus should be on how the interconnection application could be expedited in order to reduce the time and costs of interconnecting non-export storage systems, with a commitment to identifying the criteria that could potentially support a notification only approach in the future. Several proposals brought forward delineate the potential paths toward that end suggested by the Working Group, including qualifications and caveats from some stakeholders.

### III. REFERENCES

Documents associated with Working Group Two are posted at <https://gridworks.org/initiatives/rule-21-working-group-2/>.

### IV. CONCLUSION

We appreciate the Commission's attention and parties' history of diligent work in addressing the issues associated with interconnections. The Working Group Members have completed the assigned tasks to the fullest extent possible within the allocated time. These efforts including holding many additional calls between parties to augment the discussions during the Working Group meetings. Working Group Two appreciates the opportunity to provide a status update and the scheduled delivery of the Working Group Two Final Report.

Respectfully submitted,



Kenneth Sahm White



Director, Economic and Policy Analysis  
Clean Coalition

Dated: October 15, 2018