

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

Order Instituting Rulemaking on the  
Commission's Own Motion to Improve  
Distribution Level Interconnection Rules  
and Regulations for Certain Classes of  
Electric Generators and Electric Storage  
Resources.

R.11-09-011  
Filed September 22, 2011

**CLEAN COALITION COMMENTS ON THE PROPOSED DECISION ADOPTING THE  
SETTLEMENT AGREEMENT REVISING DISTRIBUTION LEVEL  
INTERCONNECTION RULES AND REGULATIONS – ELECTRIC TARIFF RULE 21  
AND ASSOCIATED TRANSITION PLANS**

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September 4, 2012

CLEAN COALITION COMMENTS ON THE PROPOSED DECISION ADOPTING THE SETTLEMENT AGREEMENT REVISING DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS – ELECTRIC TARIFF RULE 21 AND ASSOCIATED TRANSITION PLANS

Pursuant Rule 14.3 of the California Public Utilities Commission’s Rules of Practice and Procedure, the Clean Coalition hereby submits these comments on the Decision Adopting Settlement Agreement Revising Distribution Level Interconnection Rules And Regulations – Electric Tariff Rule 21 and associated transition plans.

The Clean Coalition is a California-based group that advocates for cost effective and rapidly deployable clean local energy, largely through vigorous expansion of the Wholesale Distributed Generation (WDG) market segment, which is comprised of renewable energy generation that connects to the distribution grid and serves local load. Since penetrations of WDG above about 20% require local balancing of supply and demand of energy, the Clean Coalition not only drives policy innovation that removes the top barriers to WDG (procurement and interconnection), but also drives policy innovations that will allow private capital to deploy Intelligent Grid (IG) solutions like demand response and energy storage. The Clean Coalition is active in proceedings at the California Public Utilities Commission, the Federal Energy Regulatory Commission, and related federal and state agencies throughout the United States. The Clean Coalition also designs and implements WDG and IG programs for local utilities and governments around the country.

Comments:

The Clean Coalition is a signatory to the Settlement Agreement and supports the Proposed Decision (PD) adopting the Settlement, however we wish to remind the Commission that the Settlement constitutes a partial and incomplete revision of Rule 21, and the terms of the Settlement remain contingent upon further and expeditious actions by the Commission beyond adoption of the Rule 21 revisions incorporated in this PD.

The phase 1 tariff revisions incorporated in the Settlement are only a partial and decidedly incomplete revision of Rule 21. Parties reached to agreement to support the phase 1 modifications to the tariff as part of a package that included, and remains contingent upon, Commission action on phase 2 of this revision. Had parties been informed that half a year would pass before a proposed Decision to adopt the Settlement Agreement was released, and that no action would be taken in the interim in preparation for further high priority reform, the Clean Coalition would not have supported the limitations imposed by this phased scope and the unnecessary hiatus in the proceeding.

A year ago the Commission swiftly opened R. 11-09-011 on the Commission's own motion to improve distribution level interconnection rules and regulations and convened parties in an intensive settlement process to address critical issues as quickly as possible. Parties responded and worked diligently to successfully achieve a settlement on both procedural changes in the tariff and additional critical issues to be urgently addressed.

At the request and direction of Commission staff a settlement process was proposed, and after parties had already commenced meetings on the full scope of topics, Commission staff requested that parties agree to split the scope of issues into phases, limiting the initial phase of the proceeding so that a valid tariff would be available early in 2012 for anticipated procurement programs. With this stopgap revision completed, parties would then be able to pursue vital functional reforms in the open proceeding. Per the final Settlement Agreement, parties conditionally approved this phasing of the proceeding.

Nearly six months have passed since the Settlement was reached, yet despite the urgency expressed by all parties, the Commission has only recently released a PD to adopt the virtually unopposed Settlement and has failed to move forward on the issues which were delayed as a result of the phasing requested by staff. This unwarranted delay has serious consequences:

- The interconnection issues yet to be addressed, in particular the severe problems associated with uncertain cost liabilities, continue to cripple efforts to deploy

renewable energy under the State's interconnection processes, resulting in higher development costs, greatly reduced investment and job creation, and threatening both the loss of billions of dollars in expiring federal tax credits and scheduled attainment of California's RPS and emissions mandates. These issues could have been largely addressed over the past six months, and yet the Commission has failed to provide even a commitment to proceed, an adopted scope for further work or a date for commencing phase II, yet alone a schedule for completing this proceeding and implementing critical reforms.

- The lack of expeditious action by the Commission threatens not only the good faith of parties but the also their obligations under the Settlement. We remind the Commission that the Settlement itself is contingent upon the Commission's actions on these issues, and failure to move forward on them will release parties from their obligations under the Settlement, opening the threat of litigation by the Utilities and other parties to the Settlement – an outcome that the Commission rightly and explicitly sought to avoid.

To mitigate the multiple consequences of further inaction, we urge the Commission to make its intentions clear, and to expeditiously proceed with the scope and schedule of Rule 21 interconnection reform in accord with the provisions of the Settlement and the publically expressed desires of the Governor and the Commissioners without further delay. To the extent that any such planning may be incorporated in the Decision, we urge the Commission to take this opportunity to do so. Relevant Rule 21 Settlement provisions and related minimum scoping are found in the following Attachments A & B.

Respectfully submitted,

/s/Kenneth Sahn White

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Dated: September 4, 2012

## Attachment A

### Extracts from the Final Settlement Agreement

[emphasis added]

#### II. TERMS AND CONDITIONS

A. **Revised Rule 21 Tariff and Standardized Forms:** The Commission should expeditiously adopt the Revised Rule 21 Tariff. .... The IOUs' and the Settling Parties' support for adoption of the Revised Rule 21 Tariff and Standardized Forms is subject to the Commission's adoption of the recommendations set forth in this Section II.

B. **Phasing of OIR:** The Commission's adoption of the Revised Rule 21 Tariff and Standardized Forms should constitute "Phase 1" of the OIR. Upon the Commission issuing a decision adopting and implementing the Revised Rule 21 Tariff and Standardized Forms, Phase 1 should be deemed completed and "Phase 2" of the OIR, as described *below*, should commence no later than at this juncture.

C. **Phase 2:** The Commission should commence Phase 2 no later than immediately following adoption of the Revised Rule 21 Tariff and Standardized Forms, and conclude Phase 2 as expeditiously as possible and ideally, within nine months of commencement.

D. **Scope of Phase 2:** The Commission should issue a Phase 2 Scoping Memo adopting the scope set forth at Attachment B of this Settlement Agreement.

E. **Phase 1 and Phase 2 Interdependencies:** The IOUs' and the Settling Parties' support for adoption of the Revised Rule 21 Tariff and Standardized Forms is contingent upon the Commission's adoption of the recommendations set forth herein. In the event the Commission does not proceed with the procedural steps outlined in this Section II, the IOUs and the Settling Parties shall be released from any and all obligations under this Agreement. Said release shall include, but is not limited to, the exercise of the right to seek modification or reopening of any Phase 1 Commission decision(s) by means of a Petition for Modification or any other procedural mechanism.

H. **Cost Certainty:** The IOUs and the Settling Parties agree that the Commission should take into consideration in Phase 2 that resolving the issue of cost certainty is a high priority and that the key issues are: (1) the variability of potential costs, and (2) the potentially lengthy time frame before final costs are known, including the fact that the Revised Rule 21 Tariff allows the

developer to execute an interconnection agreement and get interconnected before receiving a final cost estimate.

## **ATTACHMENT B**

### **(of the Settlement Agreement)**

#### Recommended Scope of Phase 2 Issues

1. Telemetering/other metering requirements.
2. Reconsideration of technical limits within Rule 21: Fast Track size limits, 15% screen, development of further objective criteria.
3. Cost allocation and certainty issues, including but not limited to: earlier cost certainty, cost averaging, cost sharing, distribution system upgrades appropriate for rate-based support, data reporting to improve cost predictability, cost assignment of planned distribution system upgrades, curtailment as a method of avoiding triggered upgrades, development of an online portal for applying for a Pre-Application Report.
4. Study Deposits, pursuant to which the IOUs shall collect and provide data on the actual cost of system impact studies and facilities studies.
5. The Distribution Group Study Process.
6. Reconsideration of timelines, timeline compliance, and timeline remedies in the Revised Rule 21 Tariff, if and only if a party reasonably establishes the need for reconsideration.

**VERIFICATION**

I am authorized to make this verification on its behalf of Clean Coalition. I am informed and believe that the matters stated in the foregoing pleading are true.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 4, 2012, at Santa Cruz, California.

Kenneth Sahm White



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Clean Coalition