

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 or
electric generators and electric storage
resources.

Rulemaking 11-09-011
(Filed September 22, 2011)

CLEAN COALITION COMMENTS ON UTILITY DISTRIBUTION GROUP STUDY
PROCESS REPORTS

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CLEAN COALITION COMMENTS ON UTILITY DISTRIBUTION GROUP STUDY PROCESS REPORTS

The Clean Coalition respectfully submits these comments on the utility Rule 21 transition plans, pursuant to the Administrative Law Judge's direction on July 5, 2012.

The Clean Coalition is a California-based group that advocates for 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.

Our comments summary is as follows:

- We appreciate both utility proposals but prefer PG&E's approach over SCE's because of the increased certainty it provides and the fact that two full clusters will be completed each year. We appreciate SCE's suggested approach due to its flexibility, but given the tendency in recent years for deadlines to slip dramatically we prefer the increased timeline certainty offered by PG&E.
- We recommend, however, that a number of additional details be provided by the utilities before the Commission approves the proposed distribution group study procedure.

- Specifically, more detail should be provided regarding how each utility will determine the geographic scope of each distribution group study; as is, this is left entirely undefined so developers have no insight into what study process they are likely to be part of.
- We also recommend that Screen Q be modified as part of the DGSP effort, to remove the fuzziness it currently embodies, in favor of CAISO's clear criteria approach.
- More detail should also be provided on timelines.

I. Discussion

The Clean Coalition generally supports the distribution group study process proposals from PG&E and SCE and appreciates the clearly thoughtful approaches offered by each party. While both proposals have many merits, we lean toward the approach advocated by PG&E, with two full clusters per year on a set schedule. While the prospect of initiating a group study without waiting for the next semi-annual window is clearly attractive, the wait would be on average less than 100 days. Since the time required to complete previous studies can easily exceed 100 days, the certainty of a start date offers, on balance, greater value in predictability than offered by the possibility of earlier commencement. We nevertheless support any opportunity for group study schedules to be accelerated if such opportunities are found. We also find very favorable PG&E's proposal to seek FERC approval to conform its WDT with the new and proposed Rule 21 features, harmonizing these two interconnection procedures. We recommend that the Commission require the same of SCE.

We recommend, however, that additional details be provided regarding some key aspects of these proposals.

A. "Engineering judgment" should be supported by clear criteria

The description in the presentations of the proposed process for determining geographic boundaries of the “electrical area” for the proposed cluster process offers no clear criteria and provides no practical guidance for evaluation of the areas to be included in group studies. PG&E’s presentation (p. 10) states:

An electrical area will in some cases be the circuit and in other cases be the substation, but in any event, will be determined by engineering judgment.

SCE makes the same point on p. 7 of its presentation. While we appreciate the need for judgment and expertise when it comes to certain aspects of running modern electrical grids, we also believe that these tasks are closer to science than art and, as such, can be described and standardized. PG&E’s representative at the June 6 workshop stated her belief that existing queue data and interconnection maps could be used by developers to determine the electrical area boundary under the proposed Distribution Group Study Process (DGSP), but this is simply not the case under the current data provided because PG&E seeks to use “engineering judgment” in each case to determine the electrical area. No quantity of hard data will allow developers to know with any certainty how PG&E’s engineers will decide each case without any criteria being supplied as to how such judgments are made. This is why appeals to “engineering judgment” fail as a matter of good policy.

Specifically, the proposals should provide clear criteria for establishing both the “electrical area” in each cluster and for determining electrical dependence from other distribution grid projects.

This is necessary information for developers and policymakers. For developers, it is necessary information for reducing the uncertainty with respect to which interconnection procedure should be pursued and to plan better where to locate projects. For policymakers and advocates, it is necessary information for improving interconnection procedures.

Long-term, the benefit of greater description and standardization is automation of many tasks that are currently managed by engineers. The Clean Coalition has pushed for some time for an “Interconnection 3.0” approach, under which most aspects of interconnection studies are automated, making possible dramatic decreases in time required for interconnection.

B. More detail should be provided regarding timelines

PG&E states in its presentation (p. 3):

If the volume of Applicants exceeds a maximum number, additional time will be required to complete the necessary studies and interconnection agreements. Additionally, there may be a limit on the number of applicants that can be studied in a DSG

Similarly, SCE states (p. 3):

However, if the volume of studies reaches a certain level and/or the number of applicants in a particular group study reaches a certain level, additional time will be required to complete studies and prepare interconnection agreements. There may be limits on how many applicants can be studied in one DSG.

The Commission should require that this idea be fleshed out considerably, specifying what circumstances may lead to additional time being required, and how much, under various circumstances. Deadlines are key for effective interconnection procedures and we witnessed far too much deadline slippage in various interconnection procedures in recent years, particularly for wholesale distributed generation projects like the CREST program.

SCE also states (p. 3): “The Distribution Group study will begin when any current study is complete or when there is sufficient information about the impact of earlier-queued

projects.” We strongly support SCE in taking the opportunity to advance the schedule of a study group (unless a two-cluster per year approach like PG&E proposes is adopted, in which case cluster studies must begin subsequent to each study application window); it makes perfect sense to begin studies as soon as possible if information that is available prior to the completion of a contingent study allows the group study to proceed, thereby avoiding unnecessarily delay. However, SCE should define what would constitute “sufficient information” and more detail should be provided in SCE’s next proposal.

C. Treatment of ISP projects should be clarified further

PG&E’s presentation (p. 14) does not specify how ISPs outside of a DGSP will be treated. This should be clarified further.

D. Restudies

PG&E states on p. 17 of its presentation “restudies will be done (at Applicant’s cost) any time there is a change in circumstances that may result in a change to the upgrades required...” SCE states essentially the same idea on p. 6 of its presentation. However, the primary purpose of a cluster process is to moot the need for restudies, so we urge PG&E and SCE to clarify these statements. We urge PG&E and SCE to clarify what they mean in this context regarding re-studies. The intent of a cluster process is to gather all the relevant data before each study (SIS/FS or Phase I/II) and anything that occurs during the study period is simply incorporated before the final report is issued. As such, no re-studies should be required during the SIS/FS for the proposed DGSP. However, we understand that circumstances can change after an FS is completed, so we request more detail on this from the utilities if this was what was intended by the remarks quoted above. Moreover, we recommend placing some bounds on the

frequency and cost of potential restudies in the limited circumstances in which they may occur.

E. Fees and deposits need to be added

The current proposals contain no information about fees or deposits, and these must be inserted.

F. Transmission system independence should be defined more clearly

SCE states that the DGSP will apply to IRs that pass Screen Q but fail Screen R (p. 2). This raises the same problem that the Clean Coalition raised many times during Phase 1 of this proceeding: Screen Q is currently highly inadequate because in the current language it too relies solely on the phrase “reasonably anticipated” for determining independence from the transmission grid, which was substituted in the latest version of the new Rule 21 for the previous “engineering judgment” language, which the Clean Coalition objected to. While this is an efficient and reasonable basis for passing this screen, it is a wholly inadequate basis for failing a screen that has major consequences for the applicant. Failure of this test should instead rely simply on the objective criteria in Appendix Y of the CAISO tariff, which is referenced as the secondary procedure under the current Screen Q in Rule 21. We recommend that the CAISO procedure simply be adopted for use in Rule 21 when interdependence with the transmission system is anticipated.

This is potentially a serious obstacle to the proposed DGSP because eligibility for the DGSP hinges on passing Screen Q. Without clear criteria to determine that specific projects are dependent on the transmission grid, the DGSP may be dead on arrival.

G. SCE's WDAT already includes a cluster

SCE states that it may develop a WDAT cluster study process (p. 7), but makes no commitment to doing so. As discussed at the workshop, however, SCE's WDAT already includes a cluster process and this is the bulk of the tariff. We urge SCE to clarify this point. If by this point, SCE means that it may modify its existing WDAT cluster process to emulate the proposed Rule 21 DGSP, we fully support this change because as a matter of practice it seems that all WDAT cluster projects are shunted into the CAISO cluster study. We believe that a significant number of projects could and should be found to be independent of the transmission system and thus eligible for a d-grid only cluster study.

II. Conclusion.

The Clean Coalition recommends that the Commission adopt PG&E's version of the DGSP and require that the utilities flesh out the details as described above.

Respectfully submitted,

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