



September 26, 2017

Re: RESOLUTION ALJ-347. Adopting an Expedited Interconnection Dispute Resolution Process as Authorized by Assembly Bill 2861.

Energy Division
California Public Utilities Commission
Attn: ALJ Michelle Cooke
505 Van Ness Avenue
San Francisco, CA 94102

cc: Service Lists R.11-09-011 and R.17-07-007

**CLEAN COALITION REPLY COMMENTS
ON PROPOSED RESOLUTION ADOPTING AN
EXPEDITED INTERCONNECTION DISPUTE RESOLUTION PROCESS**

I. INTRODUCTION

The Clean Coalition submits these reply comments in response comments served by parties regarding the *draft Resolution of Administrative Law Judge (ALJ) Michelle Cooke regarding Adopting an Expedited Interconnection Dispute Resolution Process as Authorized by Assembly Bill 2861*, dated September 5, 2017, pursuant to Pub. Util. Code § 311(g) Rule 14.5 of the Rules of Practice and Procedure.

Summary

- Clean Coalition supports the draft Resolution.
- Joint IOUs comments recommend several modifications to the Staff Proposal which are aligned with the recommendations of the Clean Coalition, with one exception.
- We strongly disagree with Joint IOUs request *requiring* that the interconnection process be halted during the dispute resolution process.
- However, we support putting the process on pause when agreed by *both* parties.
- We support the Staff Proposal's optional expedited informal dispute resolution timeline.

II. COMMENTS

The Clean Coalition very much appreciates the efforts of the Energy Division in developing an Expedited Dispute Resolution Process as Authorized by Assembly Bill 2861, and refining the Staff Proposal in response to stakeholder comments. We support the revised proposal, as reflected in our opening comments.

Comments were ordered distributed to Service Lists R.11-09-011 and R.17-07-007. Clean Coalition only received service of comments from the Joint Utilities, and offers the following response.

Reply to Joint IOUs

Joint IOUs comments¹ recommend several modifications to the Staff Proposal which are aligned with the recommendations of the Clean Coalition, with two exceptions. Joint IOUs request that the interconnection process be halted during the dispute resolution process², and Joint IOUs oppose the use of an expedited informal dispute resolution option described in the Staff Proposal³.

¹ Joint Comments of Southern California Edison Company on Draft Resolution ALJ-347, September 21, 2017.

² Ibid. at 1-4.

³ Ibid. at 5.

1. *We strongly disagree with establishing a requirement for the process to be halted, however we support putting the process on pause when agreed by both parties.*

Applicants are subject to external deadlines that may be jeopardized by a 60-day delay. Many procurement processes require projects to have completed various phases of the interconnection application, study, or agreement process in order to be eligible to engage in the procurement process, and the scheduled window for participation is often narrow. As such, applicants are frequently not in control of the schedule for when to begin or complete the formal interconnection process. Applicants must spend months and tens of thousands of dollars to identifying appropriate siting and establish site control before they can submit an interconnection application⁴, and often cannot begin that work until after a procurement process is announced and its requirements established. Likewise, once a contract is entered into, it will have deadlines for commencement of delivery of energy, and in many cases utility service departments have seasonal availability to perform work; an interconnection processing delay can result in a much longer scheduling delay where utility construction is required.

If an applicant is necessarily subject to a 60-day delay in their interconnection, this will create a substantial risk and effective penalty for some applicants, creating a situation in which the applicant is forced to either bear the burden of delay or bear the burden of foregoing the dispute process, disadvantaging the applicant in both cases.

In many cases, and quite possibly most cases, the dispute will not involve an issue which would impact work that would be completed during the 60-day dispute resolution period. Disputes can involve billings, construction requirements that will not occur until well after the dispute period would be completed, or the interpretation of results of studies already undertaken. In each of these cases there is no risk associated with continuing the interconnection process in parallel with the dispute resolution process, and no benefit to delay. As such, a blanket requirement that all disputes

⁴ Based on Clean Coalition survey of participants in California IOU interconnection processes, typical pre-application costs for a 1 MW project are \$35,000, and rarely below \$18,000, extending over at least 3 and typically 7 months.

automatically trigger a halt to an applicant's interconnection progress is unwarranted and frankly unfair.

In consideration of these facts, we recommend that the interconnection process be paused only by mutual agreement of both parties. Where there is no agreement to pause, the interconnection process should proceed per established tariff schedules.

Further, to the extent that there are costs associated with possibly repeating studies or other work as a result of the ruling of the dispute resolution panel, we recommend that those cost be borne by the losing party. This cost assignment will encourage both parties to minimize risk by actively seeking mutually agreeable resolution, or, where appropriate, mutually agreeing to delay work that may be wasted.

2. We support the Staff Proposal's option to shorten the existing informal processes prior to initiating the formal expedited process.

Regarding the use of an expedited informal dispute resolution option described in the Staff Proposal, we support the Staff Proposal's efforts to shorten the existing informal processes defined in Section K.2.a of Rule 21 precisely because the purpose of this process is to expedite resolution of disputes. *Requiring* disputants to engage in informal processes lasting more than two months under K.2.a is clearly contrary to the goals of AB 2861. Staff offer an expedited option, not a requirement. The Staff Proposal already allows disputants to make a mutual request to Energy Division to extend deadlines associated with the informal dispute resolution process,⁵ and this should be sufficient.

III. CONCLUSION

We appreciate the Commission's attention and parties' history of diligent work in addressing the issues associated with interconnection and offer these comments to further those ends.

⁵ Staff Proposal at 8.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sahn", with a horizontal line underneath it.

Kenneth Sahn White
Director, Economic and Policy Analysis
Clean Coalition

Dated: September 26, 2017