

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.

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

CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION ADOPTING
REVISIONS TO ELECTRIC TARIFF RULE 21 TO INCLUDE A DISTRIBUTION GROUP
STUDY PROCESS AND ADDITIONAL TARIFF FORMS

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

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I. Introduction

The Clean Coalition is a California-based nonprofit organization whose mission is to accelerate the transition to local energy systems through innovative policies and programs that deliver cost-effective renewable energy, strengthen local economies, foster environmental sustainability, and provide energy resilience. To achieve this mission, the Clean Coalition promotes proven best practices, including the expansion of Wholesale Distributed Generation (WDG) connected to the distribution grid and serving local load. The Clean Coalition drives policy innovation to remove barriers to the procurement and interconnection of WDG projects, integrated with Intelligent Grid (IG) solutions such as demand response, energy storage, and advanced inverters. The Clean Coalition is active in numerous proceedings before the California Public Utilities Commission, the California Energy Commission, and other state and federal agencies throughout the United States. The Clean Coalition also designs and implements WDG and IG programs for utilities and state and local governments.

SUMMARY

- The Clean Coalition broadly supports the Proposed Decision (PD) regarding the adoption of the proposed Distribution Group Study Process (DGSP), Pre-Application Report (PAR) availability, and additional Tariff forms for Rule 21.
- We oppose adoption at this time of SCE's proposal to change the DGSP windows to 8 months, but support review of this issue by a Working Group and offer an alternative for consideration at that time.
- We support PG&E and SDG&E's joint recommendation for cost contribution to be incorporated in cost assignment.

- We seek clarification regarding PG&E and SDG&E's joint recommendation for use of "nameplate KVA" in cost assignment and recommend this reflect the export capacity limit associated with each facility's application.
- We recommend clarification regarding the separation of study groups within each study window.
- We support alignment of FERC and CPUC jurisdictional tariffs with a priority given to language and procedures vetted through CPUC proceedings.

II. Discussion

DGSP Window Schedule

SCE recommends¹ extending the fixed window DGSP from six months to eight months due to unresolved issues regarding electrically inter-related studies that may hinder interconnection transparency and predictability. SCE notes in support of this recommendation a risk that the Phase II Study for one group will not be complete before SCE must start the Phase I Study for a subsequent, electrically-dependent group.

However, the PD, based on the timeline recommended by PG&E, already allows for all applicants in prior study groups to have evaluated the results of Phase I studies and committed to Phase II studies, establishing a clear basis for subsequent new and electrically dependent groups to initiate their Phase I studies. All studies are based upon the known conditions at the time, and this Proceeding seeks to balance the competing values of speed and certainty.

While it is possible that a prior and incomplete study will impact a group of Applicants engaged in a DGS, SCE has provided no evidence of the level of significance of this risk. Even among the limited percentage of DGS that are electrically related to an incomplete study, the cost impacts of such dependency may either not be significant or sufficient to influence the decisions of applicants waiting urgently for interconnection. While costs may change, Applicants are aware that the current studies and Interconnection Agreements remain only estimates that are subject to common and potentially very

¹ SCE Opening Comments at 5

substantial inaccuracy. Alternative DSGP proposals were offered to Parties more than a year ago and Parties have never indicated that Applicants would prefer delaying the start of each every DGS by two months in order to achieve an uncertain reduction in the possibility of adjustment in study estimate. On the contrary, the majority of applicants are under significant time pressure associated with PPA COD schedules in addition to their own financial considerations.

The Clean Coalition does not support changing the default semi-annual schedule outlined proposed by PG&E and adopted in the PD. However, when a DGS group occurs that is dependent upon prior incomplete studies, it may be appropriate to add language to the tariff to provide those Applicants the option of delaying commencement of their study up to 60 days as necessary to complete the prior study. This would allow SCE to achieve the benefits of additional time identified by SCE at the discretion of Applicants. If such an option is adopted, we recommend consideration of a weighted vote based on the kW capacity associated with each Application.

We recommend adoption of the PD without a change in the study schedule at this time and that attention be given to this issue upon review of initial DSGP experience by a Working Group within twelve months.

Cost Allocation

In joint comments PG&E and SDG&E recommend² modification of Cost Allocation to reflect the differential cost contribution of each facility, where this is present.

The Clean Coalition supports this recommendation as a reasonable and equitable measure to avoid transfer of costs between applicants in a DGS as identified in the Joint Comments. The examples offered with the recommendation amply demonstrate the value of this approach and PG&E and SDG&E clearly believe this to be practical for them to implement.

However, we seek clarification regarding PG&E and SDG&E's joint recommendation for use of "nameplate KVA" in cost assignment. In both the PD³ and the Join Comments

² PG&E and SDG&E Joint Opening Comments at 2

where “all costs for required interconnection upgrades will be proportionally allocated among group applicants on a per kilowatt basis” it is not clear how the “name plate KVA” or kilowatt basis will be determined. The Clean Coalition recommends this reflect the export capacity limit defined in each facility’s application. This should reflect the actual impact of the facility as limited by its generation equipment, inverter, or other non-bypassable export-limiting device. Use of Export Capacity allows the installation of larger systems to produce more energy most of the time while capping the peak output, resulting in more kWh and more installed capacity without requiring additional unnecessary upgrades.

Cost Allocation also raises a related issue that deserves additional clarification. The Proposed Tariff states “The costs of Distribution Upgrades or Network Upgrades identified through a Distribution Group Study shall be assigned to all Interconnection Requests in a *Distribution Study Group* pro rata based on each Interconnection Request’s contribution to the need for the upgrade.”⁴

Clearly it is necessary to establish whether an Applicant’s Interconnection Request has contributed to the need for an upgrade and this should be limited to those concurrent local projects grouped by electrical dependency. While it may be reasonably anticipated that the Distribution Provider will conduct separate local group studies in each DGSP period based on mutual electrical dependency, and proceed to provide results, necessary restudies, and cost allocation on this same basis, the Tariff language fails to make this clear, introducing unwarranted ambiguity for all Parties.

The procedure for grouping projects is highly significant since, as SCE noted in its recommendation for more infrequent study windows, the withdrawal of a single project may result in a restudy of all remaining projects in that group, with associated study costs and delays imposed upon affected projects. As such, unnecessary or incidental association of projects should be avoided, and the PD should make clear that projects should be studied in the smallest practical groupings to help address the concerns SCE raised regarding overlap and dependency.

³ Proposed Decision at 22

⁴ Proposed Tariff - E.4.e. Cost Allocation, emphasis added

Tariff Alignment

The Clean Coalition supports alignment between the CPUC and FERC jurisdictional tariffs, as called for by multiple Parties in Opening Comments. However, such alignment should, to the extent feasible, draw from the CPUC proceedings. These proceedings reflect stakeholder experience with existing FERC tariffs and due opportunity has been given for adoption or modification of terms and procedures found within them. A presumption of preference should be given to the results of the CPUC proceeding process reflecting the most recent experience and refinements. The adoption by FERC of amendments to the Small Generator Interconnection Procedures reflecting recent changes developed in CPUC interconnection proceedings are strong evidence of this. Following the adoption of updated Rule 21 tariff modifications, similar modifications should be proposed in the WDT and submitted to FERC for approval.

III. Conclusion

We thank the Commission and staff for the important progress on DGSP defined by the Proposed Decision, appreciate the full and careful consideration given to previous comments by the Clean Coalition and other Parties, and offer both our broad support with recommendations as noted.

While we must acknowledge concern that the DGSP did not meet the Q2 2013 schedule for a PD adopted in the Amended Scoping Memo, and two years have passed since the Motion to adopt standardized forms and agreements, we are sincerely grateful for the efforts of both Commission and utility staff, including the advanced implementation of improvements not requiring Commission approval. We look forward to progress on the remaining important topics scheduled under the current Proceeding.

Respectfully submitted,

/s/ Kenneth Sahn White
Kenneth Sahn White
Economics & Policy Analysis Director
Clean Coalition

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