

**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)

**CLEAN COALITION REPLY COMMENTS
ON ORDER INSTITUTING RULEMAKING TO CONSIDER STREAMLINING
INTERCONNECTION OF DISTRIBUTED ENERGY RESOURCES
AND IMPROVEMENTS TO RULE 21**

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August 14, 2017

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I. INTRODUCTION

The Clean Coalition submits these reply comments in response to the *Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21* (OIR), dated July 13, 2017.

Summary

- Opening comments by many parties may not have been available for reply by stakeholders.
- All new issues raised by stakeholders, in addition to all unresolved issues from the prior proceeding, should be reviewed for scheduling based on multiple factors including potential significance, critical dependencies and timing, and ease of resolution.
- Pilot or limited early trial implementation of interconnection streamlining methods should be considered to speed development and refinement of practices.

- We support shared use of existing service lines.
- We support automation of interconnection processes.
- We support harmonization of tariffs across jurisdictions.
- We support addressing interconnection fees & distribution upgrade cost sharing.
- We support addressing telemetry requirements.
- We oppose the Joint Utility request to remove the question of Itemized Billing from the current scope in this proceeding.

II. DESCRIPTION OF THE PARTY

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (DER) – such as local renewables, advanced inverters, demand response, and energy storage – and we establish market mechanisms that realize the full potential of integrating these solutions. The Clean Coalition also collaborates with utilities and municipalities to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

III. COMMENTS

A. Distribution and Posting of Opening Comments

Opening comments by many parties may not have been available for reply by stakeholders. We note that the CPUC Docket Office was unable to review, accept, and post opening comments in a timely manner for reply. We believe that at least 15 parties submitted opening comments, yet as of the date reply comments were due, only five were available through the Commission's website. Ordinarily comments would be received through the service list, however the service list is only just established for this proceeding and includes few parties. Persons filing comments in response to the Order Instituting Rulemaking were to have been added to the service list, however this has not yet occurred in all cases. While the Clean Coalition and a number of other parties

provided a courtesy copy to the R.11-09-011 service list, we are aware that this was not practiced by all respondents. While interested parties did have the opportunity to request addition to the “Information Only” category in advance, we are concerned that significant comments may not have been widely received and reviewed by stakeholders, and request that the Commission take this into consideration when considering further refinement of the scope and schedule.

B. Issue Scope, Grouping, and Prioritization

Many parties, including the Clean Coalition, support the division of topics into multiple tracks while urging clarification regarding the sequencing and interdependence of tracks and topics. Multiple parties also identified significant topics and recommended their addition to the initial scoping of issues to be addressed. The number of issues outstanding at the conclusion of the prior proceeding,¹ and new issues arising, argues for the importance of considering each in the scope of this proceeding and weighing them in accord with key factors and goals, which may appropriately include:

1. Addressing topics that can be resolved relatively quickly early on, so that these reforms can be implemented without further delay;
2. Prioritizing topics with respect to their anticipated impact to process improvement or value to ratepayers;
3. Sequencing interdependencies within this proceeding;
4. Coordinating dependencies across proceedings where such exist (ex. DRP ICA);
5. Scheduling topics for reasonable conclusion within the proceeding’s planned timeframe;

¹ See Appendix C ‘Unaddressed Issues in the Rule 21 Proceeding’ included in the November 18, 2015 ‘Joint Motion Supporting Revisions to Streamline Rule 21 for Behind The-Meter, non-exporting Storage Devices’, submitted in accord with the August 19, 2015, Administrative Law Judge’s Ruling Setting Dates for Filing Final Motions and Granting Motions for Party Status (11-09-011). See also the Report submitted to ALJ Bushey at the August 6, 2015, Status Conference in the same proceeding.

6. Balancing the attention to topics both within and between tracks to spread out the workload and reduce overlapping schedules where this would be more likely to limit the ability of parties to participate, including in working groups.

We note that pilot or limited early trial implementation of interconnection streamlining methods can speed development and refinement of practices, including both those requiring tariff revisions as well as practices that may be adopted in parallel with such revisions and in support to Commission goals. We urge the Commission to consider and encourage such efforts,² and to incorporate lessons learned.

C. Response to Party Comments on Specific Topics

1. Shared use of existing service lines

The Clean Coalition identified several important topics in opening comments for specific attention within this proceeding. We take this opportunity to note that the shared use of existing service lines for interconnection, and the responsibility for correcting undersized service connections that were not installed in accord with the customer panel rating, may be addressed under the scoped coordination with Rule 16 service connection study processes (Track 3, Item 11).

2. Automation of interconnection processes

The Clean Coalition noted the importance of automation in streamlining the interconnection process in our opening comments, and requested development of long-range goals and timelines on this and other interconnection topics. GPI emphasizes the importance of automation in detail³, and appropriately cites the DRP Final Guidance's

² See for example: Peninsula Advanced Energy Community, California Energy Commission GFO 15-312, Task 4: Interconnection Best Practices, and Interconnection Streamlining Pilot. Available at <http://www.clean-coalition.org/our-work/peninsula-advanced-energy-community/>

³ Green Power Institute Opening Comments On Order Instituting Rulemaking at 3-5.

call for “dramatic streamlining” of interconnection and achieving “Plug and Play” interconnection, long standing support by a number of stakeholders, and the recent ICA Working Group Final Report reflecting this guidance and the need to focus on automation as a key path for achieving streamlining. The California IOUs have been making significant progress on their own initiative in applying automation to some aspects of the interconnection process. These efforts would benefit from CPUC guidance and clear delineation of goals and objectives.

3. *Harmonization of tariffs across jurisdictions*

CESA calls for synergy with FERC jurisdictional Wholesale Distribution (WDAT/WDT) interconnection tariffs.⁴ We note that the Commission called for harmonization between Rule 21 and FERC distribution tariffs in opening the prior proceeding (R.11-09-011) and Settlement Parties agreed to use the existing WDAT as a foundation for major revision of Rule 21 at that time. As a party to the Settlement, the Clean Coalition supported this action, although harmonization is a two way process, in which the goal is for each tariff to incorporate improvements developed in the other. Rule 21 is the Commission’s opportunity to advance interconnection practices. In the event of any identified advances from FERC jurisdictional tariffs not already reflected in Rule 21, these should be considered for adoption and improvement. We agree with CESA that easy transition between the tariffs should be a goal, although this should not inhibit the Commission from adopting improved practices in Rule 21 that can then be incorporated into FERC jurisdictional tariffs. Indeed the Commission should redouble its encouragement of harmonization of advancements, and in fact improvements in process efficiency should inherently incentivize adoption across all related tariffs. This issue is related to Track 4, Item 22, but goes beyond the specific focus on small and multi-jurisdictional utilities, and as such should be considered a separate item.

⁴ CESA opening comments at 8-10.

4. *Interconnection fees & distribution upgrade cost sharing (Track 3, Item 13)*

IREC recommends the proceeding revisit interconnection fees to ensure that they are appropriate and serving their intended purpose. The Clean Coalition agrees that existing fees should be reviewed, and alternative fee structures considered. In particular, we recognize the success of the standardized fee applied to cover average utility costs associated with Net Energy Metering (NEM) tariff interconnection requests, and urge the Commission to consider extension of this approach, in pilot or tariff, to similarly streamline other interconnections. We noted this topic in our opening comments. The proposed Track 3 Item 13 may address this issue, however it is worthy of specific mention, while review of existing fees warrants attention as a separate item that may be resolved without great effort.

The Joint IOUs state that distribution upgrade cost sharing is already addressed through the Distribution Group Study Process (DGSP).⁵ This is only partially correct. The DGSP addresses cost sharing among applicants entering the interconnection queue within a specified window of time where studies are contingent upon results of prior applicants. DGSP is able to aggregate projects occurring during the same period, but does not address cost sharing for subsequent electrically related interconnections. The New York Public Service Commission has addressed this issue in a proposal that could easily be incorporated into Rule 21 and should be considered. However, such an approach still relies upon individual customized study results, a process that conflicts with the goal of speedy and streamlined interconnection practices. The proposed cost sharing topic should include consideration of standardized fees – sharing the average cost among all similarly situated applicants – if we are to address one of the greatest opportunities for interconnection streamlining.

⁵ Joint Utility opening comments at 9

5. *Telemetry requirements (Track 3, Item 15)*

Joint Utilities recommend early attention to telemetry requirements⁶ (Track 3, Item 15). The Clean Coalition supports this prioritization. As we move forward in making DER capabilities more fully available to both distribution and transmission system operators, distribution operators will require appropriate levels of visibility and communication to optimize DER value. The DRP and IDER proceedings are engaged in pilots to evaluate DER capabilities and associated management systems (DERMS), and the CPUC, CEC, and CAISO are giving attention to the role of distribution system operators (DSOs) and DER aggregators in coordinating and optimizing use of DER to meet multiple simultaneous applications at customer, distribution, transmission, and market granularities. The appropriate cost effective forms of telemetry and associated cost responsibility are essential to review, establish preliminary new standards where warranted, and refine as the functional requirements and value become more clear. As we have previously argued, the cost of telemetry must not exceed its value, and the allocation of costs should align with benefits.

6. *Itemized Billing (Track 3, Item 16)*

Joint Utilities request removal of the topic of itemized billing⁷ based on the fact that the recently adopted Interconnection Cost Envelope Pilot includes itemized billing. The Clean Coalition disagrees with this reasoning. While the Cost Envelope Pilot does apply itemized billing, the purpose of this pilot is to offer cost certainty, and while it did incorporate itemized billing, it was not the intention of parties to in any way discourage the use of itemized billing beyond its use in this pilot. To the extent that there is value in itemizing the charges assessed on applicants, delaying consideration for at least five years is certainly unwarranted.

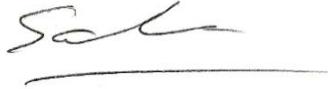
⁶ Joint Utility opening comments at 5

⁷ Joint Utility opening comments at 10

IV. CONCLUSION

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

Respectfully submitted,

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

Kenneth Sahm White
Director, Economic and Policy Analysis
Clean Coalition

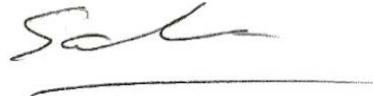
Dated: August 14, 2017

VERIFICATION

I, Kenneth Sahm White am the representative for the Clean Coalition for this proceeding. I am authorized to make this verification on the organization's behalf. The statements in the foregoing document are true of my own knowledge, except for those matters that are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2017, at Santa Cruz, California



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