

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 REPLY COMMENTS ON UTILITY DISTRIBUTION GROUP
STUDY PROCESS REPORTS

Tam Hunt
Attorney for:
Clean Coalition
2 Palo Alto Square
3000 El Camino Real, Suite 500
Palo Alto, CA 94306
(805) 705-1352

August 21, 2012

CLEAN COALITION REPLY 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.

I. Discussion

A. SusCon

The Clean Coalition respectfully disagrees with some of SusCon's conclusions in their opening comments. Specifically, we are concerned, based on recent history, that it will not be the case that "interdependence is expected to be the exception rather than the rule," as SusCon states (p. 2). Neither PG&E nor SCE have provided any firm criteria for determining electrical interdependence and have, instead, referred simply to "engineering judgment," a problem that we (and SusCon also) highlighted in our opening comments. Moreover, based on the IOUs' tendency to be highly conservative

when it comes to interconnection – as is often, but not always, justified – the Clean Coalition feels that it is more likely that findings of interdependence will be the norm rather than the exception. We look forward, however, to objective criteria being supplied by the IOUs in the next iteration of their proposals, so we may well change our conclusion on this issue, as warranted. We further wish to emphasize that interdependence of studies is highly dependent upon the speed and duration of timeframes for studies and related commitments. If studies are completed quickly and efficiently, subsequent potentially interdependent studies may instead be reviewed as serial independent projects and not be delayed pending these prior applicant results. Modern system modeling and automated study processes (what we have described previously as “Interconnection 3.0”) would support this preferred outcome.

Additionally, we disagree with SusCon’s preference for keeping a clear separation between FERC-jurisdictional and state-jurisdictional interconnection procedures. We fully support PG&E’s stated intent to seek FERC approval for harmonizing the new Rule 21 (which will be further improved in Phase 2 of this proceeding) with WDAT and it is our view, along with many other advocates, such as IREC, and many developers, that harmonization and simplicity is to be preferred over maintaining what amounts to an artificial and unhelpful distinction. Moreover, we have found the Commission to be more responsive to concerns about interconnection issues than FERC, and we have been involved in both venues for years now. FERC is generally very *laissez faire* in its regulatory decisions, whereas the Commission, due to many factors, including Gov. Brown’s goal of achieving 12,000 MW of DG by 2020, has been more responsive and willing to help correct what is currently a very broken set of interconnection procedures. The new Rule 21, the result of an extensive settlement in Phase 1 of this proceeding, is far from perfect but it is an improvement over the existing Rule 21.

The Clean Coalition’s long-term aim is to reform Rule 21 further and have these reforms filter up to the CAISO GIP and eventually become nation-wide models. We have tried improving the FERC-jurisdictional GIP (formerly comprised of LGIP and SGIP, but now

combined into a single GIP) that CAISO implemented two years ago and we have found this to be a very difficult process, with FERC applying only a very lenient standard of legal compliance and paying minimal heed to recommendations by credible advocates like the CPUC, IREC and the Clean Coalition.

For these reasons and more, the Clean Coalition supports PG&E's proposal rather than SCE's, with the key modifications described herein and in our opening comments.

B. Sierra Club and Vote Solar

We agree with Sierra Club and Vote Solar that terms like "electrical area" need to be defined clearly (Opening comments, p. 4). We also agree that the "electrical area" of any distribution group study should be consistent with that described in the Pre-Application Report, which requires the IOU to provide information on the capacity of the relevant "substation/area bus or bank and circuit." This may be a good solution for providing specific criteria for defining the "electrical area," as the Clean Coalition recommended in opening comments.

C. SEIA

SEIA agrees with the Clean Coalition that SCE's lack of fixed timelines may result in a "chilling effect," particularly when compared to PG&E's proposal (Opening comments, p. 2). Again, while the Clean Coalition appreciates SCE's proposal to conduct cluster studies only when more than one project is proposed in the same area, and not on a fixed schedule, the lack of firm deadlines for completing studies, etc., is on balance a detriment to improving interconnection procedures.

We also agree with SEIA that quarterly DGSPs would be better than semi-annual (p. 3). However, we are happy with PG&E's proposal to go to two full clusters per year rather

than the current annual clusters under WDAT, so we don't see a need to press for quarterly clusters at this juncture.

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 and in our opening comments.

Respectfully submitted,

Tam Hunt

Attorney for:
Clean Coalition
2 Palo Alto Square
3000 El Camino Real, Suite 500
Palo Alto, CA 94306
(805) 705-1352

Dated: August 21, 2012