

**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

**CLEAN COALITION OPENING COMMENTS ON DECISION ADOPTING
RECOMMENDATIONS FROM WORKING GROUPS TWO, THREE, AND
SUBGROUP**

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I. INTRODUCTION

Pursuant to Rule 6.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) the Clean Coalition submits these opening comments in response to the Decision Adopting Recommendations from Working Group Two, Three, and Subgroup. The Interconnection subgroups have been considering these issues for almost three years and the Clean Coalition appreciates all the hard work it has taken to compile final reports and aggregate the reports in one single decision the Commission can approve. Each of the reports represents substantial stakeholder participation and the Clean Coalition is especially confident after participating in Working Groups 2 and 3 that the results will streamline the interconnection process to the benefit of distributed generation projects. With that in mind, the Clean Coalition would like to remind the Commission, as it did in a February 1, 2019 response to ALJ questions, that, “The Clean Coalition has consistently argued that additional costs must be warranted by the benefits and avoided risks. This applies at the macro level where ratepayers as a whole bear the cost burden, and at the micro level where individual customers bear the cost, and each of these apply to interconnection. The goal is to gain efficiencies in the processes and physical investment. In this light, each proposal should be evaluated with consideration of the relative costs.”¹ For relevant proposals, it should also be determined if it is possible to include the results on the Interconnection Analysis (ICA) Maps. Part of the Decision includes references to the current process of requiring utilities to update the maps each month. Working Group 2 considered Issue 2C, which goes further, requiring the utilities to track ICA updates outside the required monthly updates. The Clean Coalition is in favor of options that would lead to more accurate ICA values and the inclusion of more data on the ICA Maps capable of reducing the time before interconnection agreements are completed.

¹ Clean Coalition Response to ALJ Questions, at 5

II. DESCRIPTION OF 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, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

III. COMMENTS

a. The Clean Coalition is strongly in favor of removing fast track eligibility size limits.

Removing size limits is a great step towards making the interconnection application process more efficient for a majority of projects. The interconnection process works best for NEM projects, in part because they rarely, if ever, require distribution upgrades because of their small size. Yet, with the integration of ICA values, even larger projects can be effectively tailored to achieve a value small enough to not necessitate expensive upgrades, streamlining the interconnection process. This also applies to the Commission’s proposed adoption of Issue 8f, 8g, 8h, and 8j, which will reduce the need for additional analysis of projects with less than 30 kVA nameplate capacity.

b. Issue 8C is an important step towards measuring IOU costs and the need to future changes.

Updating the ICA values will certainly have added value, though it will also increase costs. The key is ensuring that the tradeoff is worthwhile — a key reason that the Clean Coalition agrees with the adoption of the proposal. As GPI noted, understanding the amount of value deviations is the first step to improving the overall system.

c. The Commission should streamline interconnection through the promotion of up-front fees.

The Clean Coalition believes that including standard fees early in the application process (up-front when possible) will greatly reduce the uncertainty for developers, a cause that the Commission should strive to achieve. The two greatest reasons that projects fail is the length of the interconnection process and the uncertainty that surrounds it. Option B of Issue 8s, would streamline fees for significant categories of applicants, benefitting both the customers and the utilities in the long run. As demonstrated in Track 1 of the Microgrid proceeding (R. 19-09-009), when the three IOUs were tasked with creating single line diagrams for projects representing 80% of interconnection applications, it was reported that the vast majority of projects are NEM projects. In SDG&E's case, this was up to 90% of projects. Categorizing others and including fees is a reasonable option that would be to the benefit of all.

d. The Commission errs in its decision that proposal 8v is out of the scope of Issue 8.

Issue 8 considers the use of ICA values as a tool to, “streamline the Fast Track process for projects that are proposed below the integration capacity at a particular point on the system, and facilitate interconnection process automation,” which does not mean that they must be the only tool. In fact, part of the point of adopting Proposal 8C is to determine a roadmap for the need for future changes to the interconnection process based on the deviation in ICA values. Yet, it is within the scope of Issue 8 to consider that the use of ICA values is a starting point, not an end to the consideration of streamlining the process. Automation is an essential part of the Rule 21 proceeding, which naturally means it must be considered during the interconnection process; to avoid considering the proposal and deem it as out of the scope of the Issue is refusing to even consider a proactive decision on the subject and ensuring that an already behind proceeding will be further beleaguered by a lack of planning. Multiple parties supported the proposal and others had legitimate concerns about cost that should be addressed. The decision admits that even though TURN doesn't support the proposal, “TURN recommends the report be seen as identification of potential opportunities to be analyzed later.”² Refusing to discuss either aspect

² Decision, at 44

of the proposal denies the process of the working group without a suitable discussion by the Commission. It is a waste of a useful opportunity to plan for the future.

e. Issue 10, Proposal 1 will provide a constant line of communication and a way to track projects.

Projects often bounce from division to division for different aspects of the interconnection process, making it very hard for an applicant to track or get a reasonable estimate for the expected return of an application. Proposal 1 offers a good solution by ensuring that the customer has a constant line of communication, while also guaranteeing that a project does not get lost in the massive bureaucracy that is the interconnection section of a utility. The Commission's argument that the proposal is declined in part because the final Working Group 2 Report does not contain the actual cost to the utility does not have merit, since it is not possible to know this without complete support from the IOUs, all of whom did not support the proposal. Rather than denying the proposal, the Commission would be reasonable to adopt the proposal for a study period, subject to review by the Commission at a later date. It is important to balance cost with potential value, but in this case, the Commission is not even considering the value to the customer, only using the ambiguity in the associated cost as a shield to complete the proper analysis before making a decision.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these comments in response to the Decision. There is no doubt that the adoption of proposals listed in the decision will streamline the interconnection process and benefit the ratepayers. Yet, the Commission should be looking to the future about ways in which the interconnection process will need to change with the rise of new technology. The way to get the proceeding on track must be to look ahead, using regulation proactively rather than retroactively.

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