

**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 REPLY COMMENTS IN RESPONSE TO PROPOSED  
DECISION ADDRESSING REMAINING PHASE I ISSUES**

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) the Clean Coalition submits these reply comments on Proposed Decision (“PD”) Addressing Remaining Phase I Issues, issued at the Commission on April 7, 2021.

**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 unparalleled benefits of local renewables and other DER.

**III. COMMENTS**

**a. Timeline for closing the proceeding.**

The Clean Coalition has concerns that soliciting comments every two years leaves a framework in place that will be unable to respond to interconnection issues in real time. If comments are read two years after a problem becomes a major issue and it takes another year for a problem to be solved in the proper regulatory forum, countless projects could have faced delays due to a yet unsolved regulatory hurdle. As a result, the Clean Coalition supports CESA’s

suggestion that Rule 21 issues be solicited on an annual basis, which will allow the Commission to address interconnection issues in a timely fashion..<sup>1</sup>

#### **b. Issue 11**

The Clean Coalition is concerned that PD sets the audit rate at 20%, up from the proposed 5% in the final Working Group 4 Report. We urge the Commission adopt the proposal at the initial 5% or use the framework CESA offers in comments, starting at 20% and decreasing to 5% over time.<sup>2</sup> The audits are meant to avoid any uncertainties and ensure that no project can take advantage of a notification-only system, rather than causing excess bureaucratic work.

#### **c. Issue 19**

Since the Energy Efficiency Building Codes require a certain number of properties to net zero by 2030 and all new developments to be built with solar — incentivizing zero-net energy (“ZNE”) deployments — the interconnection process should be adjusted accordingly. Regulation should match the policy signals coming from the state. The Clean Coalition appreciates that this Rulemaking is taking the time to consider ZNE interconnections but believes that the mentality with which the Commission is analyzing the proposals should shift to look more favorably on the idea of changing the interconnection process for ZNE developments. Because of the mandate handed down by the state, it is to the direct benefit of ratepayers and policymakers if the interconnection process for ZNE applicants is as smooth as possible, as is currently the case for Rule 21 Interconnections for projects under 30 kW. It is reasonable that ZNE projects are treated differently from a regulatory standpoint, meaning that the Commission should accommodate the need to streamline the interconnection process. Yet, achieving this goal can be done without completely upending the interconnection queue or treating ZNE applications in a radically different manner than other applications that have short interconnection timelines due to a fast-track process. Making the front end of the process easier for developers and reducing the time spent in the interconnection queue — making the timeline like that of NEM projects — is exactly what is needed. Adopting proposal 19d creates a specific location in the interconnection portal for the developers of ZNE projects to look, not all that different from non-ZNE projects, but separate nonetheless, for ease of access. It is important to note that inclusion of single line

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<sup>1</sup> CESA Opening Comments at 2

<sup>2</sup> Ibid at 2

diagrams in D. 20-06-017 was meant to affect short-term change in the interconnection process rather than solving the entire problem. The final authority lies in this proceeding, which should guarantee a process is in place to deal with the demand for new types of projects, especially if the proceeding is to close within a short period of time. Proposal 19d achieves this in a manner that is easy to track and makes it simple to create new single line diagrams.

To align with the comments made by GPI, there is a discrepancy between the initial scoping for issue 19 — which focuses directly on streamlining interconnection for ZNE projects — and the mentality espoused in the PD.<sup>3</sup> Taking the time to debate an entire issue for ZNE projects demonstrates that there is an inherent difference between ZNE and non-ZNE project. Rejecting proposal 19e outright without a discussion about the merit it would provide is missing an opportunity to proactively streamline interconnection. The Commission should adopt Proposal 19e and withhold judgement until the utilities have fully considered the impacts of implementing the proposal. It is possible that the change to the interconnection queue would be negligible; due to the policy importance of the subject, proposal 19e could make for a very effective low-cost pilot program. Therefore, the Clean Coalition urges the Commission to conditionally adopt the proposal and wait for results before making a final decision about the idea of expediting interconnection for ZNE projects.

#### **IV. CONCLUSION**

The Clean Coalition appreciates the opportunity to submit reply comments in response to the PD.

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<sup>3</sup> GPI Opening Comments at 5