

September 18, 2024

The Honorable Debbie-Anne A. Reese
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *San Diego Gas & Electric Company*, Docket No. ER10-1391-003

Dear Ms. Reese,

According to this letter, please find for electronic filing in the above-referenced docketed case the “**PROTEST OF CLEAN COALITION**” I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Thank you for your cooperation in this matter, and please do not hesitate to contact me at (626) 232-7573 or ben@clean-coalition.org if you have any questions or concerns regarding the foregoing.

Sincerely,

/s/ BEN SCHWARTZ

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**UNITED STATE OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

San Diego Gas & Electric Company

Docket No. ER10-1391-003

PROTEST OF CLEAN COALITION

I. INTRODUCTION

Pursuant to Rule 211(a)(1) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“the Commission”), the Clean Coalition submits this protest of the August 28, 2024, filing of San Diego Gas and Electric Company (“SDG&E”) of “SDG&E’s Amendments to Wholesale Distribution Access Tariff (“WDAT”), FERC Electric Tariff Volume No. 6.” SDG&E’s filing proposes changes to its WDAT in order to comply with Commission Order 2023, which updated the *pro forma* Large Generator Interconnection Procedures (“LGIP”) and Large Generator Interconnection Agreement (“LGIA) as well as the *pro forma* Small Generator Interconnection Procedures (“SGIP”) and Small Generator Interconnection Agreement (“SGIA”). To streamline interconnection, reduce backlogs, and increase certainty, Order 2023 requires each Transmission Provider to institute a cluster study process, institute firm timelines, implement penalties for failing to meet timelines and for application withdrawals, develop a grid heatmap, and a process for affected systems.¹

SDG&E’s existing WDAT already includes a cluster study process as does the California Independent System Operator (“CAISO”) tariff. The changes proposed by SDG&E are rationalized as necessary both to comply with Order 2023 and to “maintain close synchronization” with the CAISO tariff.² SDG&E’s WDAT also includes a Fast Track process for generators sized below 5 megawatts (“MW”) that do not require any major network upgrades and an Independent Study Process (“ISP”) for generators sized at or below 20 MW. In this filing, SDG&E proposes to eliminate the existing Independent Study Process (“ISP”), which is used by generators sized at 20 MW and below. However, because SDG&E uses a single consolidated Generator Interconnection Procedure, if approved, the proposed shift to a cluster study process will impact generators that would be categorized under the SGIP and LGIP. Removal of the ISP

¹ Order 2023, at p. 3.

² SDG&E Compliance filing, at p. 2.

will eliminate the option for any project under 20 MW that does not qualify for Fast Track interconnection to be studied in a serial process. Though the Commission’s intent in Order 2023 was to streamline interconnection, Clean Coalition protests SDG&E’s filing as doing the exact opposite for small generators. We contend that removal of the ISP will lengthen the time—and likely increase the cost—for small generators seeking to interconnect using SDG&E’s WDAT. Projects seeking a SGIA, e.g., clean energy projects interconnected via the distribution grid, will be unduly prejudiced by the proposed reforms. Treating distributed energy resources like large-scale resources connected to the transmission grid and eliminating a serial-interconnection in favor of a cluster study interconnection approach will likely result in massive upgrade costs or deposits and long waiting times that threaten to render distribution-level projects entirely uneconomical. Combining the removal of the ISP with SDG&E’s proposals to not incorporate penalties for the transmission/distribution provider missing required study timelines for projects under 20 MW³—a departure from the requirements of Order 2023—to push back the date by which an applicant’s cost responsibility is revealed,⁴ and to institute withdrawal penalties for projects that voluntarily choose to leave the queue, approval of SDG&E’s proposed changes will actively discourage any future WDAT applications for projects of under 20 MW. At a time when California requires the rapid deployment of new clean capacity to meet reliability goals and is working to develop procurement opportunities for programs in the wholesale distributed generation⁵ market segment, eliminating the ISP creates additional bottlenecks rather than alleviating existing ones as is intended by the Commission in Order 2023.

It should be noted that removal of SDG&E’s ISP is not required for compliance with Order 2023, nor is it necessary to better harmonize with CAISO’s interconnection tariff. Neither Southern California Edison Company (“SCE”) nor Pacific Gas & Electric Company (“PG&E”) have proposed to eliminate the ISP in Order 2023 compliance filings. Both SCE and PG&E have larger service territories than SDG&E and handle a far greater volume of WDAT applications. We raise this point because SDG&E’s proposal represents a divergence amongst the three California investor-owned utilities (“IOUs”); wherever possible, the Clean Coalition supports

³ SDG&E compliance filing at p. 29. “SDG&E proposes to adopt FERC’s *pro forma* language regarding penalties for late studies, with one clarification added by SDG&E that the penalty applies to Interconnection Studies for Generating Facilities larger than 20 MW.”

⁴ The result is having to wait longer in the process before learning that cost share an applicant will have to shoulder of network and system upgrades will lead to reduce certainty for developers.

⁵ <https://clean-coalition.org/wholesale-distributed-generation/>

harmonization amongst the IOUs WDATs as a tool to streamline interconnection throughout California. Moreover, because removal of a serial interconnection process for projects using the SGIP is not required for compliance with Order 2023 and will result in a more arduous interconnection process, Clean Coalition contends that SDG&E’s proposal to eliminate the ISP does not meet the Commission’s “consistent and superior” standard⁶ and should therefore be rejected.

II. PROTEST

In Order 2023, the Commission explains “the current interconnection process will continue to cause interconnection queue backlogs, longer development timelines, and increased uncertainty regarding the cost and timing of interconnecting to the transmission system.”⁷ The Clean Coalition contends that approval of SDG&E’s request to remove the ISP achieves exactly what Order 2023 is attempting to solve for. The ISP is the main process that front-of-meter distribution-level small generator projects use when seeking an interconnection. Eliminating the ISP will unduly discriminate against small generators, resulting in longer development times and increased uncertainty, particularly for small generators sized under 20 MW. Order 2023 also requires the continuation of a serial interconnection process for small generators. As a result, SDG&E’s request is not compliant with the spirit or letter of Order 2023, and we urge the Commission not to approve the filing as is.

A. Removal of a serial interconnection process (e.g., the ISP) for resources using the SGIP does not comply with the spirit or letter of FERC Order 2023.

SDG&E rationalizes the elimination of the ISP as necessary to harmonize the WDAT interconnection process with CAISO’s interconnection procedures, ignoring the detrimental impacts to small generators. SDG&E uses a consolidated Generator Interconnection Procedure (“GIP”), rather than the SGIP and LGIP as is currently delineated by the Commission.⁸ However, relying on a unified GIP is not sufficient justification for the complete removal of the ISP;

⁶ Order 2023, at p. 1114.

⁷ *Ibid*, at p. 3-4.

⁸ “In 2014, SDG&E proposed and the Commission accepted a new WDAT Attachment H, known as the “GIP,” applicable to interconnection requests of any sized generator, effectively consolidating separate small and large generator procedures into a single set.” SDG&E Compliance Filing, at p. 8

SDG&E's overly broad request should not be granted, when a smaller less discriminatory approach can be taken to comply with Order 2023. For example, as it pertains to the development of a cluster study process for compliance with Order 2023, one already exists in SDG&E's WDAT. Clean Coalition supports amending the existing cluster study process and believes that the Commission should find that to be sufficient for compliance with Order 2023 and harmonization with CAISO's tariff.

SDG&E's compliance filing demonstrates that the consolidated GIP is applied on a case-by-case basis to treat small and large generators similarly in some instances and differently in others, when it is convenient. Removal of the ISP appears to impact both large generators and small generators equally, though in actuality the main impact is to small generators. SDG&E notes that maximum size project capable of interconnecting to its 12 kV distribution grid is 50 MW, with most projects sized well below that limit due to other generation located in the vicinity or the need for significant grid upgrades.⁹ It is therefore clear that many, if not most, of the generators seeking to interconnect via the ISP of SDG&E's WDAT tend to be small generators. SDG&E provides no evidence of large generators using the ISP in great numbers but nonetheless proposes the blanket removal of the ISP for all generators as necessary for compliance with Order 2023. Yet, when it comes to implementing study penalties, SDG&E is willing to apply a different treatment to large generators than to small generator, arguing, "As SDG&E does not use the LGIP or SGIP, but a consolidated GIP, and Order No. 2023 only included the study delay penalty in the LGIP, SDG&E will apply the penalty only to interconnection studies of generating facilities larger than 20 MW in its GIP."¹⁰ SDG&E then rationalizes this choice by claiming it is consistent or superior to the *pro forma*, "because it applies the Commission's apparent intent in the context of SDG&E's consolidated GIP."¹¹ If it is consistent and superior to treat small generators differently than large generators when it comes to study delay penalties, why is the rationale different when it comes to the use of a serial interconnection process for small generators versus a cluster study process for large generators? SDG&E fails to demonstrate that eliminating the ISP is necessary for compliance with Order 2023 or that it will streamline the

⁹ "However, because SDG&E's distribution system is 12 kV and below, there is a practical maximum limit to the size of a proposed generating facility of roughly 50 MW with no other generation present." SDG&E Compliance Filing, at p. 22.

¹⁰ *Ibid*, at p. 29

¹¹ *Ibid*.

process, resulting in more efficient interconnections. The Commission very clearly enumerated the goals of Order 2023 as, “to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.”¹² Insofar as SDG&E’s proposal does not advance those goals, it should be rejected; requesting removal of the ISP is clearly one of those shortcomings.

In proposing the complete elimination of the ISP, SDG&E unsuccessfully attempts to comply with the spirit of Order 2023, while very clearly violating the letter of the order. The Order clearly states that, “the Commission did not propose to require, and this final rule does not adopt, cluster studies for small generator interconnection requests. Accordingly, the study process for small generating facilities in the pro forma SGIP remains a serial process...”¹³ Eliminating the ISP for small generators is directly opposed to the Commission’s determination in Order 2023 and does not meet the consistent and superior standard based on a Commission finding about SDG&E’s GIP from 2014. In Order 888, the Commission noted that a utility arguing under the consistent and superior standard, “may not seek to litigate fundamental terms and conditions set forth in the Final Rule.”¹⁴ The plain language stated in Order 2023 requiring the continuation of a serial interconnection option for small generators conflicts with SDG&E’s proposal to eliminate the ISP for all generators.¹⁵ Therefore, Clean Coalition urges the Commission to reject the elimination of the ISP.

SDG&E’s proposal not to impose study penalties for generators under 20 MW demonstrates that specifying size limits within the WDAT is feasible even with a consolidated GIP, as does the size limit eligibility criterion for participation in the Fast Track process. Excluding large generators from using the ISP, while permitting small generators to continue to utilize a serial cluster study process is possible via up-front eligibility criteria and can be very easily enforced.

B. Removal of the ISP disadvantages Distributed Energy Resources (“DERs”), limiting the effectiveness of state-level programs targeted at deploying resources at the wholesale distributed generation scale.

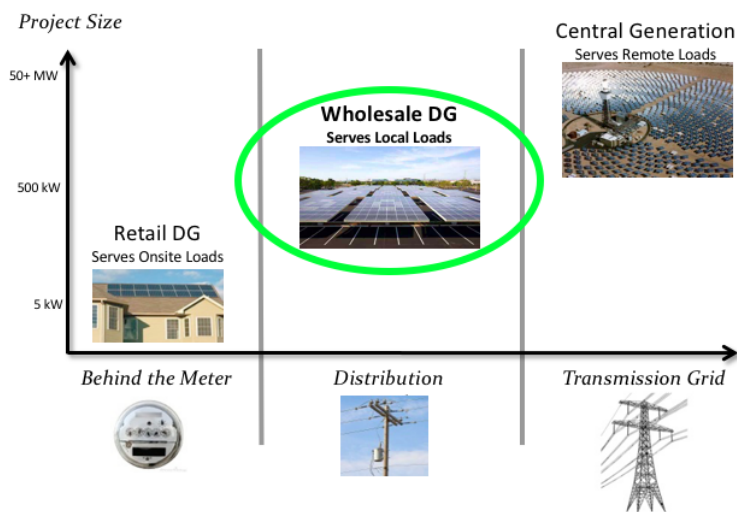
¹² FERC Order 2023, at p. 5.

¹³ *Ibid*, at p. 1033.

¹⁴ Order 888, at p. 399 (section 4).

¹⁵ Only generators under 5 MW are eligible for the Fast Track process, which does not constitute a serial interconnection process for all small generators.

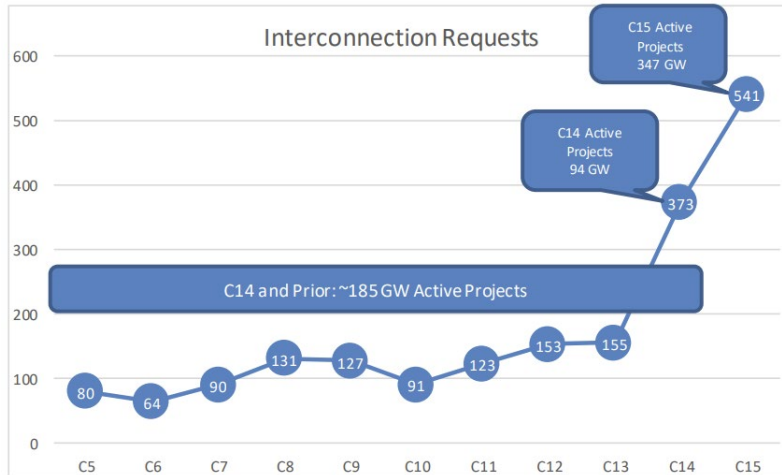
Clean Coalition is concerned that if SDG&E’s filing is approved, the result of increased interconnection times due to cluster studies, a lack of prioritization without study delay penalties for small generators, and increased cost uncertainty due to no binding maximum cost estimates will be an environment where it is exceedingly difficult to interconnect new DERs to the distribution grid. Due to a smaller project size and competitive advantages derived from swift deployments times, projects signing an SGIA are inherently disadvantaged the longer an interconnection process takes. A 5 MW solar project does not have the same impact on the grid as a 200 MW solar project and therefore, the study process is less time intensive and less costly. Getting projects in the wholesale distributed generation market segment—projects sized above 1 MW and below 20 MW—online and producing energy as soon as possible is a key value offering given the higher cost-per-watt as compared to large projects.



The wholesale distributed generation market segment includes projects from 1-20 MW

As a result, streamlining interconnection procedures is particularly important for small generators that seek to interconnect using the WDAT. Removal of the ISP threatens far longer timeframes, especially if the only remaining option is a cluster study based on CAISO’s timelines. Recent CAISO filings from earlier this year underscore that Clusters 14 and 15 have jumped to massive proportions, from 155 requests in Cluster 13 to 373 in Cluster 14 and 541 requests in Cluster 15.¹⁶

¹⁶ <https://www.caiso.com/documents/feb8-2024-tariffamendment-postpone-2024-interconnection-request-window-er24-1213.pdf> See page 8.



CAISO Interconnection Request by Cluster and Number of Active Projects¹⁷

With clusters that continue to increase in size, CAISO’s Cluster 16 is expected to be an even larger “super cluster” that will force deadlines to be revised, once again.¹⁸ If recent estimations are correct, and the Cluster 16 application window does not open until 2026, results will not be posted prior to 2028 (and possibly even later), with future clusters being pushed out even further into the future as increasing numbers of projects request an interconnection. While the developer of a 200 MW solar project might have the ability handle such a long wait, the same lengthy interconnection time period is untenable for a 5 MW solar project, with the lost revenue, site control costs, potential upgrade costs, and cost of staff time severely damaging—if not completely ruining—the value proposition. Subjecting small generators to the same study timelines as larger generators via a single cluster study process despite clear differences in capacity and network impacts will jeopardize the ability of small generators not eligible for the Fast Track process to be deployed in front of the meter on the distribution grid. Elimination of the ISP will have discriminatory impacts on small generators, reducing the potential of the market segment in SDG&E’s service territory at a time when California is attempting to nurture the wholesale distributed generation market segment via Community Solar programs like the new Community Renewable Energy Program (“CREP”), which will utilize at least a portion of

¹⁷ CASO Decision on postponement of Cluster 16 interconnection request application window <https://www.caiso.com/documents/decisiononpostponementofcluster16interconnectionrequestapplicationwindow-memo-feb2024.pdf>

¹⁸ *Ibid*, at p.

the \$250 million allocated to the state of California by the federal government via the Solar for All program and other wholesale distributed generation programs.

i. SDG&E’s proposal to not incorporate penalties for delayed studies for projects below 20 MW prejudices small generators.

Despite utilizing a consolidated GIP, SDG&E proposes incorporating study delay penalties for large generators but not for small generators.¹⁹ With no enforcement requirement to ensure compliance, the lack of a penalty for delayed studies of small generators provides SDG&E free license to make the interconnection of small generators the lowest priority. For example, given the choice of allocating resources (such as a utility engineer’s time) to study a 200 MW project or a 5 MW project, the potential of a monetary penalty will naturally make the large 200 MW project a more pressing concern. Clean Coalition contends that SDG&E should implement a study delay penalty for both small and large generators. Given the smaller system impacts, study of smaller generators should generally take less time than large generators, making it easier to meet deadlines.

ii. Delaying providing applicants with binding maximum cost exposure information prejudices DER.

Network upgrades can have a significant impact on the likelihood of a project continuing through the interconnection process. The availability of a heat map will undoubtedly help developers siting projects on the transmission grid. For projects using SDG&E’s WDAT, distribution-level maps already exist, called the Interconnection Capacity Analysis (“ICA”) maps. These ICA maps show existing hosting capacity on individual distribution feeders and the limiting criteria that may result in the need for grid upgrades.²⁰ However, the data is not necessarily at the level of accuracy and granularity where it can be considered ‘actionable’ for use in the interconnection process. As a result, there is no way to determine cost responsibility

¹⁹ SDG&E Compliance filing, at p. 29. “As SDG&E does not use the LGIP or SGIP, but a consolidated GIP, and Order No. 2023 only included the study delay penalty in the LGIP, SDG&E will apply the penalty only to interconnection studies of generating facilities larger than 20 MW in its GIP.”

²⁰ The five limiting criteria are thermal, steady state voltage, voltage fluctuation, operational flexibility, and protection.

prior to submitting an interconnection application and a utility engineer always makes the final determination of the actual available hosting capacity and any required upstream grid upgrades.

As with the discussion of interconnection timelines, larger projects are better able to handle the shock of costly grid upgrades as compared to smaller projects. The shock of paying for a grid upgrade can completely upend the economic viability of a small project, which contributes to the large number of application withdrawals. As a consequence of interconnecting a particular location on the distribution, it is possible that a small generator could be deemed responsible for a substation upgrade more costly than the entire capital cost of the project, immediately making interconnecting at that specific location unfeasible. Accurate and granular information available to developers up-front will result in far more successful applications, as will ensuring that binding cost responsibility estimates are provided as early in the process as is possible. If submitting an application is the only way to get certain information about current and accurate grid conditions, the percentage of application withdrawals will remain high, especially on the distribution grid, even with the implementation of withdrawal penalties.

SDG&E notes in the proposal to update the Cluster Study that whereas a binding cost estimate is currently provided in the process of individual scoping meetings before each cluster study that transitioning to general cluster study meetings will make the Facilities Study the earliest point in the process when providing a binding estimate is possible.²¹ This reduces the cost certainty for an applicant, which is particularly challenging for applicants seeking to interconnect a small generator. While not necessarily evidence that the cluster study is entirely unfeasible for small generators, the ability to use a serial interconnection process like the ISP is critical to a higher rate of successful interconnection applications. Understanding grid constraints and required upgrades early in the process will provide potential applicants with the necessary information. A serial interconnection process offers additional certainty in a way that a cluster study process cannot, making the preservation of SDG&E's ISP critical for small generator deployment in its service territory.

²¹ SDG&E Compliance Filing, at p. 16.

iii. SDG&E has deployed utility-owned energy storage and microgrids via the WDAT. Eliminating the ISP will reduce the ability of future third-party deployments.

Of the three IOUs, SDG&E has deployed the most utility-owned battery energy storage systems (“BESS”), some of which are standalone, while the rest are configured as part of a microgrid. SDG&E currently has 21 BESS installed on the distribution grid, totaling around 335 MW, with another 49 MW in development.²² While these BESS were awarded deliverability via the CAISO study process, many of the projects are sized at 20 MW or below and were initially studied under the WDAT, using the ISP.²³ SDG&E’s experience with interconnecting utility-owned storage demonstrates that using the WDAT ISP is a valuable pathway for the streamlined interconnection of small generators with limited impacts on the transmission grid. With all of the IOU-owned storage online or finishing the interconnection process, the proposed removal of the ISP will not impact SDG&E, but small generators proposed by third parties will significantly be impacted. The effective result would be a massive amount of distribution-connected BESS owned by SDG&E and very little by interested third party developers due to the inability to utilize a streamlined interconnection procedure. Relying on a four-year cluster study process will make it extremely difficult for any third party seeking to interconnect a BESS under 20 MW to utilize the WDAT moving forward.

III. Neither SCE nor PG&E have requested removal of the ISP in their compliance filings. SDG&E’s request should be denied to ensure the treatment of small generators consistent in all three IOU service territories.

In the compliance filings amending their respective WDAT, PG&E and SCE both propose changes to the cluster study process, but unlike SDG&E, do not request the elimination of the ISP. Each IOU’s WDAT includes a Fast Track process, an ISP, and a Cluster Study process. Granted, the three IOUs have a WDAT with unique language and a different process for conducting tariff amendments, but all three have the same overlying goals of complying with Order 2023 and harmonizing with CAISO’s interconnection tariff. As distribution operators, the IOUs have a far greater number of small generators requesting interconnection to the distribution

²² <https://www.sdge.com/major-projects/battery-energy-storage-systems-bess-and-microgrids>

²³ <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M438/K801/438801136.PDF>

grid, whereas CAISO focuses on operating the transmission grid and primarily interconnects large generators. As demonstrated by SCE and PG&E's filings, CAISO's proposed removal of its ISP does not require the IOUs to follow suit for close synchronization. For the Commission, this should provide clear evidence that SDG&E's claim that removal of the ISP is necessary because CAISO is also doing so is inaccurate. The desire for "close synchronization"²⁴ does not necessitate the removal of a serial interconnection process for small generators, and the fact that neither SCE nor PG&E chose to propose request the elimination of the ISP suggests that neither utility believed it to be required for compliance with Order 2023. Therefore, the Commission should not find SDG&E's arguments in favor of eliminating the ISP to be persuasive and should reject this portion of the filing.

IV. SDG&E must clarify what procedures are in place and remedies are available for an interconnection customer is a project that affects SDG&E's grid.

Currently, SDG&E proposes language amending its WDAT to address a situation where an interconnection customer results in an affected system for another Transmission Provider, including the studies that will be conducted, timelines, and the remedies available. However, the filing does not provide sufficient information about exactly what constitutes an affected system or the procedure in a situation where an interconnection request results in SDG&E's distribution or transmission grid being the affected system rather than another Transmission Provider. Clean Coalition urges the Commission to request additional information in the instance that SDG&E is the Transmission Provider with an affected system and to ensure that rights of the interconnection customer are clearly enumerated. Without clear standards in the WDAT tariff, SDG&E can arbitrarily determine that a project results in an affected system, infringing on the rights of interconnection customers. Interconnection customers should not lose their place in the queue or face termination without any redress for leading to an affected system. Determining appropriate solutions (such as operational controls or available grid solutions) should be part of the interconnection process in such an instance. Inclusion of an automatic termination clause is unduly discriminatory toward a generator, given the time and money required to submit an interconnection application.

²⁴ *Ibid*, at p. 5.

V. CONCLUSION

The Clean Coalition appreciates the opportunity to submit this protest and urges the Commission to reject SDG&E's request to remove the ISP from its WDAT. Removal of the ISP is not necessary for compliance with Order 2023 and actively goes against both the letter (and the spirit) of the order, which explicitly calls for the retention of a serial interconnection process for resources interconnecting via the SGIP. While SDG&E's stated goal is close synchronization with CAISO's proposed changes, the fact that neither PG&E nor SCE is requesting the elimination of the ISP in their WDAT compliance filing makes it apparent that harmonization with the ISO does not necessitate the removal of the ISP. Moreover, Clean Coalition advocates for ubiquity amongst the three IOUs, to promote a consistent WDAT experience throughout California, which will make interconnections efficient in wholesale distributed generation programs and market participation possible anywhere in the state. Lastly, as it relates to affected systems, additional clarity on situations where SDG&E is the Transmission Provider being affected is important as is the removal of an automatic termination clause.

Respectfully submitted,

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Dated: September 18, 2024