BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations	Rulemaking 25-08-004 (Filed August 14, 2025)

CLEAN COALITION COMMENTS ON ORDER INSTITUTING RULEMAKING TO UPDATE DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards.	Rulemaking 22-11-013 (Filed November 17, 2022)

CLEAN COALITION COMMENTS ON ORDER INSTITUTING RULEMAKING TO UPDATE DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS

I. INTRODUCTION

Pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") the Clean Coalition respectfully submits these comments in response to the *Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* issued at the Commission on August 20, 2025. We appreciate the opportunity to comment and recommend that the Commission prioritize the subjects of cost sharing for upgrade costs and electrical independence tests. Both are essential as an increasing number of distributed energy resources ("DER") are interconnected to the distribution grid and the place of fuel switching increases.

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. Alternatives to the Cost Causer Model for interconnection upgrade are needed as the grid transitions to become increasingly birectional.

Given the rising cost of upgrades for DER projects and the need to upgrade an increasing number of feeders, reforming the cost causer model has the potential to promote DER deployments and reduce application withdrawals. Different options are being tested throughout the United States. Maryland is discussing a model that will allow utilities to recover upgrade costs for smaller DER and charge a proportional fee for larger projects. Maine has determined that installing new transformers—for projects under 25 kW—benefits the ratepayers and the costs should be rate based. Projects under 25 kW will pay a flat fee of $150 for upgrade costs not exceeding $5,000 and projects from 25 kW to 250 kW will pay a per kW fee for upgrades not exceeding $10,000. Minnesota now allows upgrade costs below $15,000 for projects under 40 kW to be covered via a $200 fee, and New York implemented a Cost Sharing 2.0 program in 2021 to spread out the cost of projects triggered by DER amongst multiple projects sited in similar locations.[1] These reforms to the cost-causer model are practical solutions that have been implemented in multiple states, demonstrating viability for consideration in California.

We recommend including an additional question in the section on cost sharing for upgrades. In addition to sharing costs, are there any upgrades that benefit the ratepayers where a different payment option is appropriate? Other states have made determinations that some upgrades are in the best interest of the ratepayers. In California, for example, projects that are operated in a way that mitigates load on the distribution grid at peak periods reduce stress on the grid and lower ratepayer costs.

B. Clarity surrounding the Electrical Independence Tests is important

The lack of information surrounding EIT (Screen Q and R) makes it very difficult for projects to understand when they may be held back and what, if any, remedies available to move the project through the interconnection process. We support prioritization, to ensure that each

[1] https://www.powermag.com/interconnection-cost-causer-pays-model-is-it-fair-or-antiquated-in-the-era-of-grid-modernization/

project can have certainty to the highest degree possible of how electrical independence is determined and when an issue is triggered.

IV. CONCLUSION

The Clean Coalition respectfully submits these comments.

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