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 ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON PROPOSAL TO MODIFY TIMELINE REPORTING REQUIREMENTS AND APPLICATION FEES

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I. INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission ("the Commission"), the Clean Coalition respectfully submits these comments on the *Administrative Law Judge's* ("ALJ") *Ruling Seeking Comment on Proposal to Modify Timeline Reporting Requirements and Application Fees*, issued on October 8, 2026.

Clean Coalition appreciates the Commission's efforts to improve Rule 21 interconnection timelines and application fees. However, the October 8, 2026 Ruling proposes substantial changes to existing requirements without first addressing longstanding failures by the investor-owned utilities ("IOUs") to meet established timelines or provide adequate cost data. The Commission should prioritize transparency, enforcement, and process improvements rather than replacing existing requirements with a new framework that risks obscuring noncompliance.

The existing Rule 21 reporting framework provides detailed information about individual interconnection steps and establishes clear utility obligations. However, despite persistent violations, the Commission has not meaningfully enforced compliance with these requirements. Clean Coalition is concerned that fundamentally restructuring the reporting framework, without first addressing the reasons for existing noncompliance, will weaken accountability without improving interconnection outcomes.

Although end-to-end reporting can provide useful supplementary information, it should not replace detailed reporting on individual processing steps or reduce visibility into the timelines customers actually experience. Furthermore, the Commission should preserve existing reporting requirements while the California State Auditor completes Audit 2026-126, which specifically examines the Commission's monitoring and enforcement of Rule 21 interconnection timelines and oversight of associated costs.

The proposed restructuring of application fees raises similar concerns. As Clean Coalition and the Solar Energy Industries Association ("SEIA") explained in our August 28, 2026 joint

comments, the IOUs have failed to provide the actual processing-cost data previously required by Decision ("D.") 20-09-035.[1] The Commission should not establish new fees using unsupported estimates and then require the utilities to collect the necessary data afterward. Instead, the Commission should require reliable cost accounting, identify and correct process inefficiencies, and substantially reduce fees for small, routine non-NEM/NBT projects.

Accordingly, Clean Coalition recommends that the Commission:

- **Preserve and enforce existing Rule 21 timeline requirements**, while improving reporting to identify the specific reasons for failed application reviews, technical screens, and processing delays, rather than replacing established compliance metrics with a framework that risks obscuring utility noncompliance.
- **Reject the proposed application fee schedule**, which lacks sufficient supporting cost data, relies on questionable assumptions, and fails to demonstrate that the proposed fees reflect reasonable and efficient processing costs.
- **Substantially reduce application fees for small non-NEM/NBT projects**, targeting approximately $100, consistent with existing NEM/NBT fees and the substantially lower fees established in other jurisdictions, including Washington and New York.
- **Prioritize process improvements and cost transparency**, requiring the IOUs to demonstrate the actual costs of efficient interconnection processing before considering any broader fee restructuring.

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.

[1] Reply Comments of SEIA and Clean Coalition to IOU Responses to ALJ's Ruling Directing Utilities to Produce Rule 21 Application Data, August 28, 2026, at pp. 2-3.

III. THE COMMISSION SHOULD REJECT THE PROPOSED TIMELINE RESTRUCTURING AND ENFORCE EXISTING REQUIREMENTS

D.20-09-035 established a comprehensive reporting framework, including 19 tracked interconnection timelines and a requirement that the IOUs meet specified timelines for at least 95% of covered projects. This framework was developed through extensive stakeholder engagement and provides an established basis for identifying delays and assessing utility compliance.

Yet, multiple parties have documented persistent failures to meet these requirements. Rather than addressing the underlying causes of noncompliance or establishing meaningful consequences for repeated violations, the Ruling proposes a fundamentally different approach to evaluating utility performance.

The importance of addressing enforcement in this proceeding is further underscored by the Commission's recent dismissal of California Solar and Storage Association's ("CALSSA") Rule 21 enforcement complaint, C.25-08-021. In that proceeding, the Commission expressly recognized that the broader compliance issues and the merits of a prospective penalty framework could be considered in Rulemaking ("R.") 25-08-004.[2] Having identified this rulemaking as an appropriate forum for addressing prospective compliance, the Commission should prioritize developing meaningful enforcement mechanisms rather than replacing the existing compliance measures.

The proposed end-to-end framework also creates additional opportunities for delays to be excluded from utility performance calculations. Beginning the primary metric only when an application is deemed complete excludes the initial review process from that metric, while subtracting customer response periods creates further opportunities for disputes over responsibility. Although separating customer-controlled and utility-controlled time is reasonable, the Commission should not permit such exclusions to conceal utility delays or reduce transparency into the total customer experience.

Finally, the Ruling proposes removing several reporting requirements, including Electrical Independence Tests ("EIT"), System Impact Studies ("SIS"), and the total time from

[2] C.25-08-021, at p. 3. ("the issues raised by CALSSA could and should be addressed in existing Rulemaking (R.) 25-08-004."); p. 9. ("The Commission can, however, consider the merits of a prospective penalty framework in R.25-08-004.")

interconnection request to Permission to Operate ("PTO"). These metrics remain valuable even when they apply to relatively few projects. Projects requiring additional studies are often larger or more complex and may account for substantial distributed generation capacity. Removing these reporting requirements would make it more difficult to identify recurring problems in precisely the areas where interconnection delays can be most consequential.

Responses to Questions in Section 1.3 of the Ruling

For the reasons discussed above, Clean Coalition opposes the proposed replacement of the existing Rule 21 timeline framework. The following responses to the questions in Section 1.3 identify additional deficiencies in the proposal and necessary safeguards should the Commission nevertheless pursue modifications. These responses should not be interpreted as support for adopting the proposed end-to-end framework in place of existing timeline requirements.

A. Existing and additional timeline reporting requirements

Clean Coalition opposes eliminating existing timeline reporting requirements, particularly Timelines E, F, G, H, and L. These measures provide essential visibility into technical review processes and overall interconnection durations. The fact that a processing step is relatively uncommon does not mean that it is unimportant or that reporting should be discontinued.

More importantly, the Commission should require the IOUs to document and report why applications fail individual reviews or technical screens, rather than simply identifying the processing step and the time required to complete it. Without standardized explanations of the specific deficiencies, technical constraints, or other reasons for unsuccessful reviews, stakeholders cannot reliably distinguish legitimate interconnection barriers from inconsistent requirements, administrative inefficiencies, or avoidable utility delays. Requiring applicants to receive specific, actionable explanations, together with standardized public reporting of recurring failure reasons, would provide the Commission with substantially more useful information for identifying and correcting problems in the interconnection process.

Rather than implementing a new reporting system, Clean Coalition strongly believes that the Commission should retain existing reporting requirements and add metrics where specific gaps have been identified, including the additional processing steps described in Section 1.2.1. Any supplementary end-to-end metric should separately identify total elapsed time, utility-controlled

time, and documented customer response periods. Utilities should be required to explain and substantiate excluded periods rather than merely identifying them as customer delays.

B–D. Project categories, base timelines, and timeline adders

Clean Coalition does not support replacing existing step-specific requirements with proposed base timelines of 20 or 30 business days and an accompanying system of adders. The number and sequence of required processing steps can vary substantially between projects, making an aggregate compliance standard less useful for identifying the specific source of delays.

The Commission should instead retain and enforce existing Rule 21 deadlines for individual processing steps. If supplementary end-to-end benchmarks are adopted, they should not supersede existing standards or provide additional time for utility activities already governed by established deadlines.

Repeated studies or reviews should also remain individually identifiable, including the reason for repetition and the party responsible. These activities should not automatically provide additional time or excuse failures to meet applicable utility obligations. Repeated reviews should also identify the specific reason for each failure or resubmission, allowing the Commission to determine whether repeated processing reflects legitimate technical requirements, applicant deficiencies, or avoidable utility practices.

E. Projects greater than 500 kVA

Projects greater than 500 kVA should remain subject to transparent reporting and enforceable individual processing timelines. These projects can represent substantial distributed generation capacity and provide important grid, resilience, and local energy benefits. The Commission should not establish a framework that effectively excludes larger projects from meaningful performance oversight.

F. Exceptional circumstances and exemptions

Any exemptions from compliance calculations should be narrowly defined, independently verifiable, and publicly reported. The need for Supplemental Review, Detailed Study, grid upgrades, or other ordinary Rule 21 processing activities should not, by itself, justify exempting a project from applicable timelines. Allowing such circumstances to qualify as exceptions would create a significant loophole through which the IOUs could exclude more complex or delayed

projects from compliance statistics, artificially improving reported performance without reducing actual interconnection delays.

Moreover, any exemptions from supplementary end-to-end metrics must not excuse compliance with existing step-specific Rule 21 requirements. The IOUs should bear the burden of documenting the specific circumstances justifying an exemption, and the Commission should require public reporting of the number of exempted applications, the reasons for exemption, and their actual processing durations. Otherwise, the proposed framework risks weakening accountability precisely where greater scrutiny is needed.

G. Reporting modifications

Clean Coalition supports making comprehensive interconnection performance information publicly accessible and updating it monthly. However, increased reporting frequency will provide limited value if the Commission simultaneously eliminates existing metrics, permits broad exemptions, or fails to identify why applications are delayed or unsuccessful. The Commission should build upon the existing reporting framework rather than replacing it with an entirely new system that could reduce transparency and weaken accountability.

At a minimum, reporting should identify compliance with each existing Rule 21 timeline, the magnitude and frequency of missed deadlines, total elapsed project durations, and the specific reasons for delays, failed reviews, and repeated processing steps. Reporting should also account for withdrawn and pending applications, rather than relying exclusively on projects that have received Permission to Operate, which could obscure delays affecting projects that remain unresolved.

Most importantly, reporting must support meaningful oversight and corrective action. The Commission should establish standardized reporting requirements, independently verifiable explanations for missed deadlines and excluded periods, and clear procedures for identifying repeated noncompliance and requiring corrective action or enforcement. The objective should be to identify and eliminate the underlying causes of interconnection delays, not simply develop new ways of measuring or excluding them.

IV. THE COMMISSION SHOULD REJECT THE PROPOSED FEE FRAMEWORK AND PRIORITIZE LOWER INTERCONNECTION COSTS

Clean Coalition opposes the Ruling's proposed methodology for establishing new non-NEM/NBT application fees. The utilities have repeatedly failed to provide sufficiently granular

information to demonstrate the actual costs of processing different types of applications. As explained in Clean Coalition and SEIA's August 28, 2026 joint comments, the estimates submitted by the IOUs rely on broad averages that do not adequately distinguish project size, technology, review complexity, or opportunities to streamline processing.[3]

The proposed illustrative fee schedule would establish charges ranging from $400 for small residential projects to $4,000 for larger projects without demonstrating that those amounts reflect actual, reasonable processing costs. Appendix A acknowledges the lack of actual project-level cost data but nevertheless develops a fee schedule using estimated project distributions and aggregate utility cost estimates.[4]

The methodology is particularly problematic because the Appendix derives project counts across size and customer-class categories from percentages that do not establish their actual overlap. The resulting distributions include questionable differences between utilities and do not provide a reliable basis for determining category-specific costs.

Furthermore, Appendix A states that the illustrative fee schedule would collect over $8 million in revenue against approximately $7 million in reported processing costs.[5] The Commission has not explained how this apparent excess satisfies the proposal's objective of balancing revenues and costs. More fundamentally, the IOUs' underlying cost estimates have not been demonstrated to reflect efficient or reasonably necessary processing activities.

The Commission should recognize that substantially lower interconnection fees are already established in other jurisdictions. Washington limits application fees to $100 for systems through 25 kW, while Con Edison in New York charges no application fee for eligible projects through 50 kW. Although these jurisdictions use different regulatory frameworks, they demonstrate that significantly lower charges are feasible and warrant consideration before California imposes higher fees.

In addition, the IOUs' September 18, 2026 NEM/NBT cost-accounting reports provide a useful comparison. These reports show average application-processing costs, excluding facility

[3] Reply Comments of SEIA and Clean Coalition to IOU Responses to ALJ's Ruling Directing Utilities to Produce Rule 21 Application Data, August 28, 2026, at pp. 4-12.
[4] Ruling, Appendix A: Calculation of Cost-Revenue Balance For Illustrative Fee Scheme, at p. 1. ("Due to a lack of actual cost-accounting data of a given project or defined group of projects, the following method was used to derive the illustrative fee schedule provided in the Ruling.")
[5] *Ibid*., at p. 2.

upgrades, of approximately $103 for SCE, $188 for SDG&E, and $204 for PG&E.[6] This substantial disparity with the IOUs' non-NEM/NBT cost estimates raises serious questions about whether the higher costs reflect necessary differences in processing requirements or inefficient utility practices that should be addressed before establishing new fees.

Responses to Questions in Section 2.3 of the Ruling

Clean Coalition recommends that the Commission reject the proposed application fee framework rather than attempt to refine a methodology that lacks reliable cost data and fails to establish that utility processing costs are reasonable. The following responses to Section 2.3 identify further deficiencies in the proposed approach and recommend alternatives that would reduce interconnection costs rather than institutionalize existing inefficiencies.

A. Overall approach

Clean Coalition supports interconnection fees that reflect reasonable and efficient processing costs. However, the Ruling's proposed fee framework does not demonstrate that its suggested charges satisfy this standard. Rather than refining the illustrative fee schedule, the Commission should reject the proposed methodology and prioritize reducing interconnection costs through demonstrated process improvements and reliable cost accounting.

Cost causation must reflect reasonably incurred costs, not simply whatever amounts utilities report under potentially inefficient processing practices. Establishing new fees before obtaining the necessary cost data reverses the appropriate sequence of regulatory review and therefore risks rewarding the IOUs for failing to comply with prior Commission reporting directives.

B. Project groupings and fee levels

Application fees should be based on the actual processing activities required rather than customer classification or project capacity alone. Small projects that satisfy Initial Review requirements, particularly non-exporting systems, should not be charged for technical studies or administrative activities that are unnecessary for their interconnection.

Clean Coalition recommends substantially reducing the current $800 application fee for routine non-NEM/NBT projects of 30 kW or less, targeting fees closer to $100 and consistent with existing NEM/NBT application fees. At a minimum, the Commission should consider an interim fee of no more than $200, consistent with the approximate upper end of reported costs

[6] SCE Advice Letter 5891-E; SDG&E Advice Letter 4899-E; PG&E Advice Letter 7988-E.

for comparable NEM/NBT applications,[7] while developing a record that supports further reductions.

For larger projects, the Commission should reject the proposed increases until the IOUs demonstrate that the charges reflect actual processing requirements. Fees should not increase simply because a project exceeds an arbitrary capacity threshold, and applicants should not be charged based on the capacity of existing equipment that does not require renewed interconnection review.

C–D. Sampling period and sample size

The Commission should require the IOUs to collect representative, project-specific cost data using consistent methodologies, differentiated by the processing steps and project characteristics that materially affect costs.

However, adopting the proposed fee schedule before beginning a sampling process lasting 12 to 24 months, followed by further review and potential adjustments, would leave applicants subject to unsubstantiated charges for an extended period. Cost-data collection and improvements to application processing should proceed promptly and concurrently. The Commission should not permit an extended sampling process to delay reasonable interim fee reductions for small projects. Instead, the Commission should establish fees for small non-NEM/NBT projects closer to $100, consistent with existing NEM/NBT application fees, while requiring the IOUs to demonstrate that any higher charges reflect reasonable and necessary processing costs.

E. Cost categories

The proposed cost categories should be limited to reasonably incurred costs directly attributable to processing interconnection applications. The Commission should require sufficient detail to identify administrative, engineering, legal, and other expenses, ensure that costs separately recovered through study or upgrade charges are excluded, and prevent the duplication of costs already recovered through other mechanisms. Importantly, the Commission should evaluate whether claimed administrative costs reflect inefficient or unnecessary utility procedures before allowing those costs to determine application fees.

F. Alternative methods of determining fees

[7] *Ibid*.

Clean Coalition recommends using existing NEM/NBT cost-accounting data as an initial benchmark for small, comparably complex non-NEM/NBT projects, combined with targeted collection of actual costs and an evaluation of opportunities to improve automation, application review, and administrative processing.

This approach would provide a more reasonable interim basis for setting fees while allowing the Commission to develop a stronger record for any subsequent, comprehensive restructuring. The goal should be to determine what efficient interconnection processing reasonably costs, rather than simply recover the costs of current utility practices.

V. CONCLUSION

Clean Coalition appreciates the opportunity to submit these comments and urges the Commission to reject the proposed restructuring of Rule 21 timeline requirements and application fees. The Commission should prioritize enforcing existing obligations, improving transparency into the causes of interconnection delays, and reducing unnecessary costs rather than replacing established requirements with new frameworks that risk obscuring noncompliance and perpetuating inefficient utility practices.

The Commission should preserve and enforce the existing step-specific timeline framework while strengthening reporting to identify the underlying reasons for failed reviews, missed deadlines, and repeated processing steps. Comprehensive, publicly accessible reporting should provide the information necessary to distinguish legitimate technical constraints from avoidable administrative delays and support meaningful corrective action and enforcement. Additional end-to-end metrics may supplement existing reporting requirements, but should not replace established compliance measures or create exemptions that weaken utility accountability.

Similarly, the Commission should reject the proposed application fee schedule, which lacks sufficient evidence that the charges reflect reasonable and efficient processing costs. Instead, the Commission should substantially reduce fees for small non-NEM/NBT projects toward approximately $100, consistent with existing NEM/NBT fees and the substantially lower charges established in other jurisdictions. Further cost accounting and process improvements should inform any subsequent adjustments, rather than delay immediate reductions or justify continued reliance on inefficient utility practices.

Ultimately, the Commission's priority should be to make interconnection faster, more transparent, and less expensive. Enforcing existing requirements, identifying and correcting the

actual causes of delays, and establishing reasonable application fees will do far more to remove barriers to distributed energy resources than adopting new reporting and fee structures without first addressing the shortcomings of existing utility practices.

Respectfully submitted,

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