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 REPLY 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 reply 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.

Opening comments reveal substantial agreement on the importance of retaining the established Rule 21 timeline framework. Pacific Gas and Electric Company ("PG&E") and Southern California Edison Company ("SCE") oppose making end-to-end reporting the primary compliance metric,[1] while the Joint Parties[2] oppose replacing step-specific deadlines.[3] Tesla supports adding end-to-end timelines but likewise recommends continued enforcement of individual processing milestones.[4] Although these parties differ on particular reforms, their comments reinforce Clean Coalition's recommendation that the Commission preserve and enforce existing Rule 21 requirements rather than replace them with an end-to-end framework that could obscure utility delays and weaken accountability. Critically, the Commission should also retain reporting for technical studies and other processing steps that have demonstrated persistent compliance problems.

Opening comments also reinforce the need to reject the proposed non-NEM/NBT application fee schedule and substantially reduce fees for small projects. As discussed below, the Commission should prioritize improvements that identify the specific reasons applications fail,

[1] PG&E Opening Comments at p. 1; SCE Opening Comments at p. 1.
[2] The Joint Parties are comprised of Interstate Renewable Energy Council ("IREC"), California Community Choice ("CalCCA"), California Energy Storage Alliance ("CESA"), California Solar and Storage Association ("CALSSA"), Solar Energy Industries Association ("SEIA"), and Pioneer Community Energy.
[3] Joint Party Opening Comments at pp. 1–2.
[4] Tesla Opening Comments at pp. 11–12.

reduce unnecessary processing costs, and establish application fees based on reasonable and efficient utility practices rather than unsupported cost estimates.

II. THE COMMISSION SHOULD PRESERVE EXISTING RULE 21 TIMELINE REPORTING AND ENFORCEMENT

The Commission should decline to eliminate reporting requirements for processing steps where the evidence demonstrates persistent utility noncompliance. For example, since 2023, PG&E and SCE have completed Timeline H ("System Impact Study") within the required timeframe only 38% and 41% of the time, respectively. Compliance with Timeline E ("Electrical Independence Test") has similarly reached only 61% for PG&E and 52% for SCE.[5] Despite these results, PG&E supports removing both timelines from mandatory reporting, along with several other established requirements.[6] Eliminating these metrics would reduce the Commission's ability to identify persistent delays, evaluate utility performance, and determine whether corrective actions are effective.

This position is particularly difficult to reconcile with SCE's own argument against the proposed end-to-end framework. SCE correctly observes that aggregate reporting "does not identify the particular step responsible for a delay and therefore does not provide the Commission, utilities, or stakeholders with actionable information needed to diagnose backlogs, target corrective measures, or improve specific processes."[7] Yet SCE also supports eliminating reporting for the individual milestones identified in Section 1.2.2 of the Ruling. The same reasoning that supports retaining step-specific reporting instead of replacing it with aggregate end-to-end metrics should also support preserving existing reporting for critical technical studies. The fact that a study is relatively uncommon does not make it inconsequential, particularly where the available evidence demonstrates substantial noncompliance. As CALSSA documents, projects undergoing Electrical Independence Tests and System Impact Studies in PG&E's territory during the first quarter of 2026 represented approximately 43 MW of distributed generation capacity,[8] demonstrating that relatively uncommon processing steps can nevertheless affect substantial amounts of distributed generation capacity.

[5] Joint Party Opening Comments at p. 12; CALSSA Opening Comments at pp. 4–5.
[6] PG&E Opening Comments at pp. 5–6.
[7] SCE Opening Comments at pp. 6, 12.
[8] CALSSA Opening Comments at p. 4.

Ford Motor Company ("Ford") provides further evidence that the proposed removals could obscure consequential delays. Ford reports that coordinating and scheduling commissioning tests has taken months in its experience with at least one California IOU, despite the Ruling's premise that this step is not time-consuming.[9] This experience directly challenges the justification for removing Timeline S and demonstrates why the Commission should evaluate actual processing performance before eliminating established reporting requirements.

San Diego Gas and Electric ("SDG&E") goes further by requesting relief from recurring mandatory timeline reporting based on its sustained compliance with the existing framework.[10] Clean Coalition recognizes SDG&E's strong reported performance, which demonstrates that existing Rule 21 deadlines are achievable. However, compliance should not eliminate the transparency necessary to verify that performance continues. Although D.20-09-035 contemplated consideration of a reporting sunset following successful compliance, it did not establish that reporting should automatically cease once the benchmark is achieved. Preserving comparable utility performance data remains valuable for ongoing oversight, identifying emerging problems, and evaluating opportunities for improvements across service territories.

Rather than eliminating existing metrics or discontinuing reporting for individual utilities, the Commission should preserve the established framework and improve its effectiveness. The appropriate response to documented noncompliance is greater accountability and targeted process improvements, not reduced visibility into the specific steps responsible for interconnection delays.

III. THE COMMISSION SHOULD ENFORCE EXISTING DEADLINES AND REQUIRE REPORTING THAT EXPLAINS WHY APPLICATIONS FAIL

Preserving existing Rule 21 timeline requirements does not mean that the current reporting framework cannot be improved. As SCE correctly cautions, the proposed end-to-end approach risks creating a "catalog of explanations and exceptions" without identifying the specific obligations requiring improvement.[11] Rather than developing new mechanisms to classify and exclude delays, the Commission should strengthen existing reporting to identify why applications fail individual reviews and technical screens. Measuring the duration of each

[9] Ford Opening Comments at p. 2.
[10] SDG&E Opening Comments at pp. 1–2; D.20-09-035, Ordering Paragraph 30.
[11] SCE Opening Comments at p. 6.

processing step is necessary for enforcement, but understanding the specific reasons for unsuccessful reviews is equally important for identifying and correcting the underlying problems.

The need for this information is illustrated by SDG&E's own opening comments. SDG&E reports that 64.4% of 1,012 approved non-NEM/NBT applications had two or more deficiencies, with an average of approximately 2.28 deficiencies across all applications.[12] These figures demonstrate the prevalence of repeated application reviews, but do not establish whether the deficiencies result from incomplete applicant submissions, legitimate technical constraints, inconsistent requirements, or avoidable utility practices. **Clean Coalition recommends requiring the IOUs to provide applicants with specific, actionable explanations for each failed review or screen, while reporting standardized reasons for these failures in aggregate.** This would allow the Commission to distinguish legitimate technical requirements from recurring administrative problems and identify opportunities to eliminate unnecessary review cycles. The Joint Vehicle-Grid Integration ("VGI") Parties further observe that approximately 74% of SDG&E's estimated application-processing costs are attributable to administrative functions, underscoring the need to determine whether repeated reviews and other administrative requirements reflect necessary processing activities or avoidable inefficiencies.[13]

Such targeted improvements are consistent with Pioneer's recommendation to prioritize improvements to screening criteria, including Screens Q and R, before modifying existing timelines or application fees.[14] CALSSA similarly identifies gaps in the tracking of VNEM/VNBT interconnection steps, reinforcing the need to strengthen the established reporting framework rather than replace it.[15] By identifying why applications fail and where existing processes are insufficiently tracked, the Commission can direct improvements toward demonstrated problems.

These improvements also have direct implications for interconnection costs. As Ford observes, review timelines are likely related to processing costs because additional review activities can require additional staff time.[16] Repeated deficiencies and resubmissions may

[12] SDG&E Opening Comments at pp. 17–18.
[13] Joint VGI Parties Opening Comments, at pp. 8-9.
[14] Pioneer Community Energy Opening Comments at p. 4.
[15] CALSSA Opening Comments at p. 4.
[16] Ford Opening Comments at p. 3.

therefore contribute to higher costs, but without identifying their underlying causes, the Commission cannot determine whether those costs are necessary or avoidable. Rather than simply incorporating the costs of repeated application reviews into higher fees, the Commission should require the IOUs to identify their causes and demonstrate that the resulting processing costs are reasonable and necessary.

IV. THE COMMISSION SHOULD REJECT UNSUPPORTED FEES AND REDUCE CHARGES FOR ROUTINE NON-NEM/NBT APPLICATIONS

As explained in Clean Coalition's opening comments, the proposed application fee schedule should be rejected rather than modified to recover costs that the IOUs have not adequately substantiated. The Ruling would establish fees ranging from $400 to $4,000 based on utility cost estimates that lack sufficient project-specific detail, and only afterward require collection of actual processing-cost data. This approach risks institutionalizing inefficient utility practices rather than identifying and correcting the underlying causes of unnecessarily high interconnection costs.

The IOUs' own statements and data provide further support for significantly reducing application fees for small projects. PG&E acknowledges that Group A consists of relatively small and less complex interconnection requests, but recommends waiting for future cost data to determine whether the proposed $400 fee is appropriate.[17] Yet, as Clean Coalition and SEIA previously demonstrated, approximately 98% of PG&E's and 98.4% of SCE's non-NEM/NBT applications did not require Supplemental Review or Detailed Study, while 100% of SDG&E's approved applications in 2024–2025 passed Initial Review without those additional studies.[18] These figures underscore that most applications do not require the more complex technical reviews that could otherwise justify higher processing costs, and that such studies are already subject to separate charges when required.

More importantly, existing NEM/NBT cost-accounting reports provide actual cost data against which the IOUs' substantially higher non-NEM/NBT estimates should be evaluated. The September 18, 2026 reports indicate average application-processing costs, excluding facility upgrades, of approximately $103 for SCE, $188 for SDG&E, and $204 for PG&E.[19] SCE itself

[17] PG&E Opening Comments at p. 13.
[18] SEIA and Clean Coalition Reply Comments on IOU Responses to ALJ's Ruling Directing Utilities to Produce Rule 21 Application Data, August 28, 2026, at p. 15, footnote 38.
[19] SCE Advice Letter 5891-E; SDG&E Advice Letter 4899-E; PG&E Advice Letter 7988-E.

supports a cost-reporting framework modeled on the existing NEM/NBT process.[20] ***These data, together with existing NEM/NBT application fees, provide a substantially stronger basis for establishing reasonable interim fees than the unsupported estimates used to develop the Ruling's illustrative schedule.*** Tesla further reports that the average application fee for residential battery storage systems across the utility territories where it operates outside California is approximately $48, demonstrating that substantially lower fees are already common elsewhere.[21]

Importantly, the Joint VGI Parties further demonstrate the practical consequences of excessive application fees, reporting that the existing $800 charge can exceed the cost of certain bidirectional EV charging equipment, discouraging customers from enabling grid-parallel operation and making their batteries available to provide grid services.[22]

SDG&E cautions that reducing fees for particular technologies does not establish that their underlying processing costs are lower.[23] Clean Coalition agrees that fees should reflect reasonable processing costs, but this argument mischaracterizes the basis for our recommendation. Clean Coalition is not requesting a technology-specific subsidy; rather, we recommend comparable fees for small projects that require comparable levels of interconnection review. Where utilities contend that non-NEM/NBT applications are materially more expensive than comparable NEM/NBT applications, they should demonstrate the specific processing activities responsible for that difference and establish that the resulting costs are reasonable. As discussed in Section III, the prevalence of repeated application deficiencies further underscores the importance of determining whether higher costs arise from necessary technical review or avoidable administrative inefficiencies.

Accordingly, Clean Coalition reiterates its recommendation that the Commission reject the proposed fee schedule and substantially reduce application fees for small non-NEM/NBT projects toward approximately $100, consistent with existing NEM/NBT fees. At a minimum, an interim fee of no more than $200 would be substantially better supported by the available cost data than the Ruling's proposed charges. The Commission should not require customers to bear

[20] SCE Opening Comments at p. 15.
[21] Tesla Opening Comments at pp. 4–5.
[22] The Joint VGI Parties Opening Comments at pp. 4-6.
[23] SDG&E Opening Comments at pp. 18–19.

the costs of inefficient utility processes while waiting for the IOUs to provide the cost data necessary to justify those charges.

V. CONCLUSION

Opening comments reinforce the importance of preserving existing Rule 21 timeline requirements and demonstrate that the proposed application fee schedule lacks sufficient support. Clean Coalition respectfully requests that the Commission reject the proposed restructuring, retain and enforce existing step-specific timelines, and improve reporting to identify the specific reasons for failed reviews, technical screens, and processing delays. The Commission should also reject the proposed fee schedule, substantially reduce application fees for small non-NEM/NBT projects toward $100, and require the IOUs to demonstrate that any higher charges reflect reasonable and efficient processing costs. These targeted improvements would strengthen accountability, reduce unnecessary interconnection barriers, and achieve meaningful cost savings without replacing the established Rule 21 framework.

Respectfully submitted,

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