

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Consider  
Streamlining Interconnection of Distributed  
Energy Resources and Improvements to  
Rule 21.

Rulemaking 17-07-007  
(Filed July 13, 2017)

**THE OFFICE OF RATEPAYER ADVOCATES' REPLY COMMENTS  
ON ORDER INSTITUTING RULEMAKING TO CONSIDER STREAMLINING  
INTERCONNECTION OF DISTRIBUTED ENERGY RESOURCES AND  
IMPROVEMENTS TO RULE 21**

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## I. INTRODUCTION

The Office of Ratepayer Advocates (“ORA”) submits the following reply comments in response to parties’ opening comments to the July 21, 2017 “*Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21*” (“OIR”), which invites comments on the preliminary scoping memo and issues identified in the OIR.

ORA recommends that the Commission keep its current proposal for separating 22 initial scoping issues into four separate tracks. ORA also supports bifurcating the OIR into two tracks or phases – one categorized as ratesetting and one categorized as quasi-legislative.

## II. COMMENTS

### A. The Commission Should Maintain Its Current Proposal for Separating The 22 Initial Scoping Issues into Four Separate Tracks.

In their opening comments, the Investor Owned Utilities (“IOUs”) propose modifications to the tracks and issues by reordering the issues within the tracks, as well as removing several issues from consideration. The IOUs propose that Issues 2, 10, 11, 13, and 16 should be removed from the scope of this OIR.<sup>1</sup> ORA disagrees with the removal of these issues. Instead, ORA recommends that the Commission should maintain its current proposal with the 22 scoping issues separated into four tracks.

The IOUs state that Issue 2 should be reviewed in either Rulemaking (“R.”) 12-11-005 (California Solar Initiative [“CSI”] / Self-Generation Incentives Program [“SGIP”] OIR) or R.14-07-002 (Net Energy Metering [“NEM”] OIR).<sup>2</sup> The purpose of this rulemaking is to revise

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<sup>1</sup> Issue 2 is the clarification of “complex metering solutions” for storage facilities; Issue 10 is the “[i]mplementation of decisions made in R.15-03-011 on measurement and metering of storage facilities to enable multi-use applications and track station power consumption”; Issue 11 is the ICA process coordination between Rule 21, Rule 15, and Rule16 processes; Issue 13 is the “[d]evelopment of a process for distribution upgrade cost sharing among developers and cost allocation issues that arise in connection with new upgrade practices in Distribution Resource Planning”; and Issue 16 is the itemized billing requirements for distribution upgrades. *Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21* (“OIR”), July 21, 2017, pp. 8-12; *Joint Comments of Southern California Edison Company (U 338-E), San Diego Gas & Electric Company (U 902-E), and Pacific Gas And Electric Company (U 39-E) On Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21* (“Joint IOUs Comments”) August 2, 2017, pp. 5-10.

<sup>2</sup> Joint IOUs Comments, p. 6.

Rule 21 to streamline the interconnection process of distributed energy resources (“DER”), and to explore further refinements to Rule 21 to address issues related to the interconnection of storage devices.<sup>3</sup> The clarification of “complex metering solutions” for storage facilities falls within the issue of the interconnection of storage devices, and therefore the discussion of this issue should remain within this OIR.

The IOUs state that Issue 10 should remain within R.15-03-011, the Storage OIR, because the framework for allowing multi-use applications is not finalized, and the metering needs relate to settlement measurement, not underlying interconnection safety and reliability requirements.<sup>4</sup> The implementation of decisions made in R.15-03-011 on settlement measurement and metering of storage facilities to enable multi-use applications and track station power consumption is directly related to the streamlining of the Rule 21 interconnection process for DERs, since these measurements and metering are required for successful implementation of DER solutions. Therefore, Issue 10 should remain within the scope of this OIR.

The IOUs state that Issue 11 should not be included in the scope of this rulemaking, because the OIR should be limited to matters directly supporting generation interconnection.<sup>5</sup> Rule 15 concerns distribution line extensions,<sup>6</sup> while Rule 16 concerns service extensions.<sup>7</sup> DERs can include installations that might require distribution line extensions or service extensions based on a particular DER’s location. This OIR is seeking to streamline interconnection of DERs. Therefore, exploring the coordination between Rules 21, 15, and 16 processes is appropriate for this OIR.

The IOUs state that Issue 13 is unnecessary at this time, because an existing Rule 21 Distribution Group Study Process (“DGSP”) is already addressing the cost sharing issues.<sup>8</sup> However, coordinating the development of a process for distribution upgrade cost sharing among

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<sup>3</sup> *Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21* (“OIR”), July 21, 2017, p. 1.

<sup>4</sup> IOU Opening Comments, p. 8.

<sup>5</sup> *Id.*

<sup>6</sup> See Electric Rule No. 15: Distribution Line Extensions, *available at* [https://www.pge.com/tariffs/tm2/pdf/ELEC\\_RULES\\_15.pdf](https://www.pge.com/tariffs/tm2/pdf/ELEC_RULES_15.pdf).

<sup>7</sup> See Electric Rule No. 16: Service Extensions, *available at* [https://www.pge.com/tariffs/tm2/pdf/ELEC\\_RULES\\_16.pdf](https://www.pge.com/tariffs/tm2/pdf/ELEC_RULES_16.pdf).

<sup>8</sup> IOU Opening Comments, p. 9.

developers and cost allocation issues that arise in connection with new upgrade practices in Distribution Resource Planning (“DRP”) with Rule 21 is an important part of streamlining Rule 21 processes. The IOUs acknowledge that “additional scoping could be added later in this proceeding if there are new practices approved in the DRP proceeding...”<sup>9</sup> Keeping Issue 13 within the scope of the OIR would continue coordination between the proceedings throughout the development of distribution upgrade cost sharing practices. Therefore Issue 13 should remain within the scope of this OIR.

Finally, the IOUs state that Issue 16 is not ripe for this proceeding because itemized billing requirements are under review as part of the five year “Cost Envelope” pilot authorized under Decision (“D.”) 16-06-052.<sup>10</sup> As explained above, the purpose of this OIR is to further streamline the Rule 21 interconnection process. Keeping Issue 16 in scope will continue coordination between the developments of itemized billing requirements and Rule 21 interconnections for DERs. Therefore, Issue 16 should remain within the scope of this OIR.

**B. The Commission Should Bifurcate This OIR into a Ratesetting Proceeding and a Quasi-Legislative Proceeding.**

Both the IOUs and the Interstate Renewable Energy Council (“IREC”) state that there are certain issues in this OIR that may potentially be categorized as ratesetting. Specifically, both IREC and the IOUs state that Issue 7, the technical underpinnings of associated tariff and compensation issues for advanced inverters,<sup>11</sup> may be categorized as ratesetting, while IREC also states that Issue 13, the development of a process for distribution upgrade cost sharing among developers, and cost allocation issues that arise in connection with new upgrade practices in DRP may be categorized as ratesetting.<sup>12</sup> ORA agrees that both Issues 7 and 13 may be categorized as ratesetting.

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at p. 10.

<sup>11</sup> “...[T]he IOUs seek confirmation that potential valuation/compensation discussion surrounding smart inverter grid functions are not within the scope of this proceeding.” *Id.* at 7; “[T]he topics related to the tariffs and compensation issues for advanced inverters (Track 1, #7)... could delve into ratesetting discussions.” Comments of the Interstate Renewable Energy Council, Inc. on Order Instituting Ratemaking (“IREC Opening Comments”), August 2, 2017, p. 5.

<sup>12</sup> “[T]he development of cost sharing and cost allocation issues... could delve into ratesetting discussions.” IREC Opening Comments, p. 5.

ORA recommends that the Commission bifurcate the OIR into two tracks or phases: a ratesetting track or phase that focuses on the cost implications of the Rule 21 streamlining, and a quasi-legislative track or phase that deals with the technical aspects of Rule 21 streamlining. This would allow the Commission and stakeholders to continue to develop the technical aspects of streamlining Rule 21 while also developing the appropriate level of review for the cost analysis of further streamlining Rule 21.

### **III. CONCLUSION**

ORA submits the above reply comments on the preliminary scoping memo and OIR.

Respectfully submitted,

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