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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to improve distribution level interconnection rules and regulations for certain classes of electric generators and electric storage resources.

Rulemaking 11-09-011
(Filed September 22, 2011)

**SCOPING MEMO AND RULING
OF ASSIGNED COMMISSIONER**

1. Summary

This ruling sets out the scope of the issues, adopts an initial procedural schedule, determines the categorization and need for hearing, and designates the presiding officers in the above-referenced rulemaking, pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure.¹ This ruling is appealable only as to categorization, pursuant to Rule 7.6.

2. Procedural Background

The Order Instituting Rulemaking (OIR) for this proceeding was adopted by the Commission on September 22, 2011. Comments on the OIR were filed and served by parties on October 27, 2011; reply comments were filed and served on

¹ All subsequent citations to rules refer to the Commission's Rules of Practice and Procedure, which are codified at Chapter 1, Division 1 of Title 20 of the California Code of Regulations. All subsequent Rule references are to the Commission's Rules of Practice and Procedure.

November 14, 2011. A prehearing conference (PHC) was held on February 16, 2012.

3. This Proceeding

This OIR is the vehicle for the Commission's consideration of possible revisions to Electric Tariff Rule 21 (Rule 21). Rule 21 governs interconnection by generating facilities to the distribution systems of Pacific Gas and Electric Company, Southern California Electric Company, and San Diego Gas & Electric Company. The presently effective Rule 21 was adopted by the Commission approximately 12 years ago by Decision 00-12-037 and it successfully facilitated the interconnection of tens of thousands of net energy metered and non-exporting generation facilities.² As we stated in the rulemaking, when a generator seeks to primarily offset on-site load, interconnection under the existing Rule 21 generally occurs efficiently.³

In contrast, generators seeking to export a portion or all of their generation to the utility's distribution system lack a straightforward means of interconnecting under the presently effective Rule 21.⁴ Exporting generators eligible to use Rule 21 as the interconnection tariff include those participating in a number of procurement programs administered by the Commission, including

² Rulemaking (R.) 11-09-011 at 4.

³ R.11-09-011 at 4.

⁴ R.11-09-011 at 5.

the renewable feed-in tariff,⁵ the efficient combined heat and power feed-in tariff,⁶ and Qualifying Facilities up to 20 megawatts.

On March 16, 2012, parties sought approval of a settlement (Proposed Settlement) by a *Motion for Approval of Settlement Agreement Revising Distribution Level Interconnection Rules and Regulations*. As described by the motion, the Proposed Settlement represents a major review of Rule 21 and is the result of compromise and agreement among a wide range of industry representatives.

4. Scope of Issues

There is general consensus among the parties that the Commission first should address a limited number of critical issues in this proceeding. Based on the parties' written comments and on discussion at the PHC, I conclude that it is reasonable to consider the following topics in phase 1 of this proceeding:

- (1) Define the appropriate interconnection study process for all types of generation resources seeking interconnection to the distribution system.
- (2) Create distribution-level interconnection procedures for storage technologies.
- (3) Evaluate and determine appropriate processes for establishing distribution-level interconnection queues (serial or cluster).
- (4) Establish data and reporting requirements.
- (5) Evaluate the need to revise technical operating standards due to advances in technology, communications, and the potential need for the system operator to control these systems.

⁵ § 399.20 *et seq.*

⁶ § 2841 *et seq.*

- (6) Define distinct engineering methodologies based on the characteristics of the resource, such as the resource's impact on the transmission system.
- (7) Establish a path to resource adequacy qualification for resources that have certain characteristics.
- (8) Review and modify, if necessary, the screening mechanism that limits an expedited interconnection to fifteen percent of a line section's peak load.

In addition, the Commission stated that "this rulemaking may be used by the Commission as the procedural forum for the recently initiated settlement efforts to address matters related to Rule 21." Because such a settlement has now been filed, I find that the scope of phase 1 will also include the Proposed Settlement to the extent that it addresses the above issues.

5. Categorization, Designation of Presiding Officers, Need for Hearings, and *Ex Parte* Communications

In the OIR for this proceeding, the Commission preliminarily categorized this matter as ratesetting and preliminarily determined that hearing is needed. The categorization of this proceeding is confirmed as ratesetting in accordance with Rule 7.1, and is appealable pursuant to Rule 7.6. Rule 8.2(c) and Rule 8.3 apply with respect to *ex parte* communications. Although no parties have requested evidentiary hearings on any of these first issues, it is too early in the course of this proceeding to conclude that no hearings will be needed. The need for hearing is therefore confirmed.

Commissioner Michel Peter Florio is the assigned Commissioner for this proceeding. Administrative Law Judge Regina DeAngelis is the presiding officer for this proceeding.

6. Service List and Documents

Service List

The current official service list for this proceeding is maintained by the Commission's Process Office and posted on the Commission's web page, www.cpuc.ca.gov. All parties must provide a current valid electronic mail (e-mail) address for the service list. All persons on the service list are responsible for ensuring that the correct information is contained on the service list, and notifying the Process Office of corrections or changes, in accordance with Rule 1.9(f). Persons listed as Information Only are entitled only to e-mail service of documents; if e-mail service to a person listed as Information Only fails, the serving party is not required to re-serve the document. (Rules 1.9(f) and 1.10(d).) Repeated failure of e-mail service due to inaccurate or outdated e-mail addresses may lead to a person listed as Information Only being removed from the service list.

Requests for party status must be made by motion, in accordance with Rule 1.4.

7. Schedule

Pursuant to the authorization conferred by Pub. Util. Code § 1701.5(b), I conclude that this proceeding should extend for 24 months beyond the date of this scoping memo. The OIR presents many complex issues with different constraints on the timing of Commission decisions. Many issues may be resolved only after other issues have been addressed. It is therefore reasonable to adopt a 24-month timeframe for this proceeding.

The following initial schedule is adopted. It may be adjusted by the presiding officers as necessary to promote the fair and efficient adjudication of this proceeding.

EVENT	DATE
Prehearing conference	February 16, 2012
Proposed Decision - Phase 1	Third Quarter 2012
Commission consideration of Proposed Decision - Phase 1	Third Quarter 2012
Scoping Memo - Phase 2	September 2012

IT IS RULED that:

1. The scope of issues and initial schedule set forth above are hereby adopted for this proceeding, with the understanding that additional scheduling will be necessary to address the many issues in this proceeding that are not initially scheduled.

2. The duration of this proceeding is 24 months from the date of this scoping memo and ruling.

3. This proceeding is categorized as ratesetting. This determination is appealable pursuant to Rule 7.6.

4. Rule 8.2(c) and Rule 8.3 apply with respect to ex parte communications.

5. Hearing is determined to be needed.

6. Commissioner Michel Peter Florio is the assigned Commissioner.

Administrative Law Judge Regina DeAngelis is the presiding officer for this proceeding.

Dated June 20, 2012, at San Francisco, California.

/s/ MICHEL P. FLORIO

Michel Peter Florio
Assigned Commissioner