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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)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING THE MOTION OF VOTE SOLAR**

This ruling grants the March 2, 2012, motion of the Vote Solar Initiative (Vote Solar) entitled, *Motion of the Vote Solar Initiative to Adopt an Interim Procedure*. The motion sets forth three efforts to move forward on certain issues while the Commission considers an earlier filed motion, *Motion for Approval of Settlement Agreement Revising Distribution Level Interconnection Rules and Regulations (Motion for Approval of Settlement Agreement)*, filed on March 16, 2012. The *Motion for Approval of Settlement Agreement* proposes revisions to Electric Rule 21 (Rule 21) Interconnection Tariff.¹ These proposed revisions are referred to in this ruling as "Proposed Revised Rule 21." These three efforts include:

- (1) development of additional standardized interconnection and study agreements,

¹ The proposed revisions to Electric Rule 21 are included as Attachment A to the March 16, 2012, *Motion for Approval of Settlement Agreement*.

- (2) development of transition plans for applicants queued under the currently effective Rule 21 to the Proposed Revised Rule 21, and
- (3) development of an additional Distribution Group Study Process with the intention of including resulting proposals within the Proposed Revised Rule 21.

The ruling agrees that now is the appropriate time for parties to move forward on all the above efforts. The ruling also announces that the Commission's Energy Division Staff will schedule a workshop to consider Distribution Group Study Process proposals in May 2012. Details regarding this workshop will be forthcoming.

1. Background

Simultaneous to the Commission's initiation of this proceeding in September 2011, the Commission's Staff launched a settlement process intended to reform Rule 21. The goal of this settlement process was to resolve a number of distribution level interconnection issues that were also identified as within scope for Phase 1 of this proceeding.² The settlement negotiations concluded on February 16, 2012.

At a prehearing conference held on February 17, 2012, Vote Solar and other parties noted that insufficient time existed during the settlement process to address two discrete issues: the development of additional standardized agreements and a Distribution Group Study Process. Vote Solar and other parties also noted that a third issue, development of a transition plan for

² *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 (R.) 11-09-011, dated September 22, 2011.

interconnection applicants queued under the presently effective Electric Tariff Rule 21, depended on the filing of a tariff document in order to proceed. At the request of the Administrative Law Judge, Vote Solar filed this motion on March 2, 2012, setting forth a proposed process for addressing these remaining issues.

On March 16, 2012, fourteen parties³ that agreed to the Proposed Revised Rule 21, among other issues, filed the *Motion for Approval of Settlement Agreement*. That filing is currently pending before the Commission for consideration.

2. Production of Standardized Agreements

Vote Solar requests that Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) be permitted to proceed with drafting additional pro forma agreements: (1) interconnection agreements, (2) system impact study agreements and facilities study agreements. The interconnection agreements would be available to interconnection customers completing the Independent Study Process and the Transmission Cluster Study Process set out in the Proposed Revised Rule 21. The system impact study agreement and facilities study agreement would be available during the interconnection process for interconnection customers whose generating facilities are being studied pursuant to the Independent Study Process.

³ These parties included: Aloha Systems Incorporated, California Farm Bureau Federation, Center for Energy Efficiency and Renewable Technologies, Clean Coalition, Interstate Renewable Energy Council Inc., PG&E, SDG&E, Sierra Club, Solar Energy Industries Association, SCE, SunEdison, Sunlight Partners, Sustainable Conservation, and Vote Solar.

2.1. Interconnection Agreements

We grant Vote Solar’s request that PG&E, SCE, and SDG&E proceed with drafting pro forma interconnection agreements that will be available for execution by interconnection customers following the Independent Study Process⁴ and the Transmission Cluster Study Process.⁵ If approved by the Commission, Proposed Revised Rule 21 will include new rules for the detailed study tracks for exporting generating facilities. These two additional agreements will fill important gaps in the “family of standardized agreements”⁶ previously ordered by the Commission.

2.2. System Impact Study and Facilities Study Agreements

We also grant Vote Solar’s request that PG&E, SCE, and SDG&E proceed with drafting two additional pro forma agreements, an impact study agreement and a facilities study agreement. An additional aspect of transparency within the interconnection process entails providing developers of self-generation with prior knowledge of the terms of any agreement they may execute with the utility during that process. On that basis, a pro forma system impact study agreement and facilities study agreement make such terms available for any potential interconnection applicant to review, even before submitting an interconnection

⁴ Proposed Revised Rule 21, Sec. F.3.d.

⁵ Proposed Revised Rule 21, Sec. F.3.c.

⁶ Decision 00-12-037 (*Decision Adopting Interconnection Standards* issued on December 21, 2000, in R.99-10-025.)

request. We grant Vote Solar's request that PG&E, SCE, and SDG&E proceed with drafting these pro forma agreements as well.

2.3. Coordination with Commission Consideration of Proposed Revised Rule 21 – June 15, 2012 Filing Date

Vote Solar's motion suggests that each of these pro forma agreements must reflect the terms of Proposed Revised Rule 21. This ruling agrees with that recommendation. Accordingly, it is reasonable to coordinate the consideration of these pro forma agreements with the Commission's consideration of Proposed Revised Rule 21. Therefore, PG&E, SCE, and SDG&E should coordinate the drafting of the pro forma agreements among themselves in order to ensure the greatest possible consistency and should e-mail a set of draft agreements to the parties in R.11-09-011 for discussion among parties as parties may initiate, on June 1, 2012. The filing shall occur on June 15, 2012. Commission consideration of the pro forma agreements will take place as soon as feasible following consideration of Proposed Revised Rule 21.

3. Queue Transition

Vote Solar's second request is to require PG&E, SCE, and SDG&E, with an emphasis on SCE, to develop and file a transition plan explaining how Proposed Revised Rule 21 will apply to interconnection applicants already present in each utility's respective queues. We agree with Vote Solar's recommendation and direct PG&E, SCE, and SDG&E to develop and file in this proceeding a plan for transitioning applicants queued under the presently effective Rule 21 to the Proposed Revised Rule 21. Each utility should file its transition plan in this proceeding by April 23, 2012. Parties may file comments on the transition plans, as filed, by May 7, 2012. A ruling will then be issued to establish the sufficiency

of the plans or, if appropriate, the transition plans will be addressed in a Commission decision.

4. Distribution Group Study Process - Workshop

Vote Solar's third request is to permit parties to R.11-09-011 to continue to develop a Distribution Group Study Process. As part of the Proposed Revised Rule 21, the Distribution Group Study Process is limited to offering a second-in-line applicant to the Independent Study Process the opportunity to await the outcome of the queued-ahead applicant's studies before being eligible to proceed.⁷ Otherwise, such applicants are required to proceed to the Transmission Cluster Study Process or withdraw.

We agree with Vote Solar's recommendation. The Commission's Energy Division Staff will schedule a workshop to consider Distribution Group Study Process proposals. The date of this workshop will be determined in the near future and is tentatively expected to be scheduled on a date between May 21,

⁷ Proposed Revised Rule 21, Sec. F.3.b.

2012, and June 8, 2012. Following the workshop, a proposal for a Distribution Group Study Process may be filed in this docket.

IT IS RULED that the March 2, 2012, motion of the Vote Solar Initiative entitled, *Motion of the Vote Solar Initiative to Adopt an Interim Procedure* is granted as set forth above.

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

/s/ REGINA DEANGELIS

Regina DeAngelis
Administrative Law Judge