

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies,
Procedures and Incentives for Distributed
Generation and Distributed Energy Resources.

Rulemaking 04-03-017
(Filed March 16, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
SOLICITING COMMENTS ON INTERCONNECTION REPORT
ISSUED BY THE CALIFORNIA ENERGY COMMISSION**

This ruling solicits comments on whether this Commission should adopt new interconnection rules as proposed by the staff of the California Energy Commission (CEC) and formally adopted by the CEC on February 2, 2005. Comments filed on this subject in this proceeding should focus primarily on whether the CEC recommendations are reasonable and whether California Public Utilities Commission (CPUC) must develop a more elaborate record on any or all of the issues raised in the report.

Discussion

On February 2, 2005, the CEC approved a staff report titled "Recommended Change to Interconnection Rules." Parties may access the report at www.energy.ca.gov/distgen_oii/documents/index.html or contact Scott Tomashefsky for a paper copy of the report (916 654-4896). The report is the culmination of Working Group meetings, public comments and staff analysis on issues relating to whether and how utility interconnection rules for distributed generation should be changed to promote safer and more cost-effective deployment of distributed generation in California.

On February 16, 2005, the CEC served a Notice of Availability of the report on all parties to this proceeding and filed the report with the CPUC for its consideration. The report recommends the CPUC order the electric utilities to conform their tariffs to the recommendations in the CEC report and by implication recognizes the CPUC's jurisdiction to affect those tariff changes.

The CPUC is likely to defer to the CEC's recommendations on technical matters relating to interconnection rules, especially in light of the extensive public process the CEC conducted in the development of the report and which is described in the report. The report, however, makes recommendations that would increase utility costs and also recommends how those costs should be allocated to utility customers. At the very least, these ratemaking aspects of the CEC's report must be scrutinized by the CPUC.

This ruling solicits the comments of any party as to whether the CPUC should adopt the CEC's recommendations for changes to utility interconnection rules for distributed generation and related ratemaking. Parties who believe some aspect of the CEC's report must be subject to evidentiary hearings should specify precisely which issues are subject to factual dispute and how evidentiary hearings are required for resolution of that dispute. If no party seeks evidentiary hearings, the CPUC will be within its discretion to issue a decision on these matters on the basis of the parties' filed comments. Parties whose comments have already been presented to the CEC may file those comments here as attachments to their pleadings and need not repeat those comments in their pleadings.

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Soliciting Comments on Interconnection Report Issued by the California Energy Commission on all parties of record in this proceeding or their attorneys of record.

Dated March 1, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.