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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 17-07-007

ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND JOINT ADMINISTRATIVE LAW JUDGE RULING

This scoping memo and ruling amends the scope and schedule of the proceeding in response to the *Motion of the California Solar & Storage Association to Update the Scope for the Proceeding* and the *Joint Motion of Southern California Edison Company, San Diego Gas & Electric Company and Pacific Gas and Electric Company to Revise Certain Deadlines*. Parties are directed to respond to questions regarding an approach to address future new interconnection issues that may arise. Responses to the questions are due on December 3, 2018 and reply comments are due on December 10, 2018.

1. Procedural Background

The October 2, 2017 *Scoping Memo of Assigned Commissioner and Administrative Law Judge* established a scope of 28 issues divided among six working groups and set forth an aggressive schedule to resolve the issues in 24 months. Working Groups One and Two each requested and received an extension of time to resolve the assigned issues.¹

¹ February 14, 2018 ALJ Ruling and August 15, 2018 ALJ Ruling.

On September 21, 2018, Southern California Edison Company, San Diego Gas & Electric Company and Pacific Gas and Electric Company (Utilities) jointly filed a motion to revise certain deadlines in the proceeding. On the same day, the California Solar & Storage Association (CALSSA) filed a motion to update the scope of the proceeding. The CALSSA motion requests the Commission to add six new issues to the scope of the proceeding (listed in Table 1 as proposed issues A through F), delegate two of the previous issues to the Interconnection Discussion Forum,² divide the remaining issues of the proceeding into two tracks instead of multiple working groups, and revise the schedule such that the report on solutions to the proposed track three issues is due on June 1, 2019. The Utilities' motion requests the Commission delay the commencement of Working Groups Three through Six to December 1, 2018 with a report on the resolution of those groups due on June 1, 2019. To save further time, the Utilities request that the Commission rely on a comment and reply format instead of the working group format for nine of the issues as shown in Table 1 below.

The following parties filed timely responses to the two motions: CALSSA, Clean Coalition, Green Power Institute, Interstate Renewable Energy Council (IREC), Public Advocates' Office of the Public Utilities Commission (Cal Advocates),³ The Utility Reform Network (TURN) and the Utilities.

² The Interconnection Discussion Forum was developed by Commission Staff to provide an informal, recurring venue for stakeholders to explore a wide variety of issues related to interconnection practices and policies. The forum exists independently of any concurrent proceeding on interconnection. *See* Resolution ALJ-347, Exhibit A, Attachment A.

³ Senate Bill (SB) 854 (Stats. 2018, ch. 51) amended Pub. Util. Code Section 309.5(a) so that the Office of Ratepayer Advocates is now named the Public Advocate's Office of the Public Utilities Commission. We will refer to this party as Cal Advocates.

The Administrative Law Judge issued a ruling on October 11, 2018 delaying the commencement of Working Groups Three through Six to December 1, 2018. The ruling found that the record of the proceeding indicates greater than expected complexity of the issues and noted that the timeline for the proceeding had already been extended twice. Consequently, the ruling delayed the commencement of Working Groups Three through Six until December 1, 2018. The ruling also stated that additional time was needed to consider the two motions and a future ruling would address the remaining issues in the two motions.

After considering the two motions and responses, we have amended the scope of issues and the schedule of the proceeding to be as set forth in this amended scoping memo.

2. Issues

As discussed in detail below, we amend the scope of this proceeding as indicated in Table 1. The shaded rows in Table 1 signify issues the Utilities recommend for the comment and reply format.

Table 1 Remaining and Proposed (Prop.) Issues			
Issue No.	Issue	Current Working Group	New Determination
12	How can the Commission improve certainty around timelines for distribution upgrade planning, cost estimation, and construction? Should the Commission consider adopting enforcement measures with respect to these timelines? If so, what should those measures be?	3	Working Group 3
13	Should the Commission adopt a process for distribution upgrade cost sharing among developers, and if so, what should the process be?	3	Comment & Reply
14	Should the Commission establish a forum to ensure coordination between this proceeding and other proceedings or venues where the Commission is addressing the resolution of disputes and facilitation of interconnection agreements for forest bioenergy facilities in high hazard zones, pursuant to the Governor's Emergency Order on Tree Mortality?	3	Interconnection Discussion Forum
15	Should the Commission require itemized billing for distribution upgrades to enable customer comparison between estimated and billed costs and verification of the accuracy of billed costs?	3	Working Group 3
16	Should the Commission encourage third party construction of upgrades to support more timely and cost-effective interconnection and, if so, how?	3	Working Group 3

17	Utilities commonly require wholesale systems interconnecting under Rule 21 to install separate interconnection facilities when existing facilities serving on-site load may have sufficient capacity. Is the requirement to install separate facilities necessary to support safe and reliable interconnection? If not, how should the Commission address this utility practice?	3	Interconnection Discussion Forum
18	Should the Commission adopt changes to anti-islanding screen parameters to reflect research on islanding risks when using UL 1741-certified inverters in order to avoid unnecessary mitigations? If yes, what should those changes entail?	4	Working Group 4
19	Should the Commission adopt streamlined interconnection procedures (e.g. standard configurations eligible for expedited review) to facilitate implementation of California Zero Net Energy building codes and, if so, what should those procedures entail?	4	Working Group 4
20	How should the Commission coordinate Commission-jurisdictional and Federal Energy Regulatory Commission-jurisdictional interconnection rules for behind-the-meter distributed energy resources, including modification of queuing rules for Rule 21 and Wholesale Distribution Access Tariff (WDAT) projects seeking to interconnect at the same location, clarification of the rules for projects wanting to transfer between the Rule 21 and WDAT queues, and streamlining of the transfer process?	4	Working Group 3

21	How should the Commission implement determinations to be made in Rulemaking (R.) 15-03-011 regarding measurement and metering of storage facilities to enable multi-use applications and track station power consumption?	4	Interconnection Discussion Forum
22	Should the Commission require the Utilities to make improvements to their interconnection application portals? If yes, what should those improvements be?	4	Working Group 3
23	Should the Commission consider issues related to the interconnection of electric vehicles and related charging infrastructure and devices and, if so, how?	4	Working Group 3
24	Should the Commission modify the formula for calculating the Cost-of-Ownership charge and, if so, how?	4	Working Group 3
25	Should the Commission make any revisions to the expedited process for eligible non-exporting storage facilities in response to pilot program data collected by the Utilities between July 1, 2017 and June 30, 2018, in order to support tariff principles of technological neutrality and consistency across the Utilities?	4	Interconnection Discussion Forum
26	Should the Commission adopt a direct current (DC) metering standard for DC applications, including Net Energy Metering (NEM)-paired storage systems and microgrids? If so, what should that standard be?	4	Interconnection Discussion Forum

27	What should be the operational requirements of smart inverters? What rules and procedures should the Commission adopt for adjusting smart inverter functions via communication controls?	5	Working Group 3
28	How should the Commission coordinate with the Integrated Distributed Energy Resource proceeding to ensure operational requirements are aligned with any relevant valuation mechanisms?	5	Working Group 3
29	Should the Commission establish a forum, either within this proceeding or externally to develop interconnection safety standards to address safety and environmental risks as the interconnection of distributed energy resources devices grows	6	Working Group 4
Prop. Issue A	What changes are needed to clarify the parameters for approval of system design to achieve non-export and limited export.	n/a	Working Group 3
Prop. Issue B	How should utilities treat generating capacity for behind the meter paired solar and storage systems that are not certified non-export?	n/a	Working Group 3
Prop. Issue C	What rules are needed for storage interconnection that allow customers to install a storage system to meet the needs of a single building if the building has multiple meters?	n/a	Interconnection Discussion Forum
Prop. Issue D	When should the Commission consider results of an initial review or detailed study to be binding? Under what circumstances should the Commission allow the results to be changed?	n/a	Issue 12

Prop. Issue E	Which metrics should the Commission require the Utilities to report? What techniques should the Commission require to improve data reporting compliance?	n/a	Energy Division
Prop. Issue F	What interconnection rules should the Commission adopt to account for the ability of DERMS and aggregator commands to address operational flexibility need.	n/a	Working Group 4

As indicated in Table 1, we pared down the number of remaining working groups to two. The renamed Working Group Three will begin meeting on December 1, 2018 and will address the 11 issues as indicated above. We agree with CALSSA that running multiple concurrent working groups (*i.e.*, Working Groups Three through Six) is difficult for small organizations.⁴ As can be seen on the schedule below, the commencement date for Working Group Four will be determined at a later date; Working Group Four will address Issues 18, 19, 29, and F.

Additionally, we have determined that certain current and proposed issues can be addressed through the Interconnection Discussion Forum, formerly known as the Rule 21 Working Group.⁵ The Commission established the Interconnection Discussion Forum as a venue to encourage discussion and collaboration between the Utilities and developers.⁶ The Utilities claim the issues in the shaded rows are well-suited for a comment and reply format rather than discussion in the working group. We agree that Issue 13 is appropriate for the

⁴ CALSSA Motion at 1.

⁵ Resolution ALJ-347.

⁶ ALJ-347 at Exhibit A, Attachment A.

comment and reply format. However, we find that Issues 14, 17, 21, 25, 26, and C are best suited for discussion in the Interconnection Discussion Forum. These issues, which focus primarily on reliability issues, require increased understanding between the Utilities and developers leading to a collaborative resolution. Furthermore, we consider these issues to now be out of the scope of this proceeding as the resolution of these issues do not require a Commission decision. Accordingly, while CALSSA recommends Issues 15 and 22 for the Interconnection Discussion Forum, as they assert the two issues do not require changes to Rule 21, we consider Issues 15 and 22 to be issues the Commission must decide because the issues are utility transparency-related.

In response to the CALSSA motion, the Utilities maintain that by designating Issues 13, 14, 17, 21, 23, 24, and 26 for Working Group 4, CALSSA is assigning them lower priority and the Utilities agree with the lower prioritization.⁷ Similarly, the Utilities agree with CALSSA that Issues 12, 16, 18, 19, 27 and 28 should have higher priority.⁸ As indicated in Table 1, we find that Issues 12, 15, 16, 20, 22, 23, 24, 27, 28, and new Issues A and B have the highest priority and should be resolved in Working Group Three. The Utilities contend that issues 13, 21 and 24 could be addressed through the comment and reply format.⁹ We find that Issues 21 and 24 require a better understanding between the Utilities and developers leading to a collaborative resolution; this understanding and collaboration cannot be obtained through the comment and reply format. However, as we noted above, Issue 13 is appropriate for the comment and reply format.

⁷ Utilities Response to CALSSA Motion at 4.

⁸ *Ibid.*

⁹ *Ibid.*

With respect to the six new issues proposed by CALSSA, we add Issues A and B to the scope of this proceeding and assign them to Working Group Three. We first address proposed Issue A. The Utilities contend that this proceeding is not the right forum for the discussion or resolution of a highly technical standard like proposed Issue A.¹⁰ We disagree. Issue A asks what changes are needed to clarify the parameters for approval of system design to achieve non-export and limited export. Interconnection applications for non-export and non-import storage are expected to increase as storage is increasingly used to support renewables integration. The Self-Generation Incentive Program, which was expanded and extended through SB 700 (Wiener, 2018), may support additional growth in behind-the-meter storage. Furthermore, there likely are also going to be outstanding issues for the Commission to resolve in R. 14-07-002. There are too many connections with other issues to not include a discussion of the parameters for system design approval. Consequently, the interconnection requirements and review process should be clarified now. Furthermore, as recommended by IREC, the discussion should include metering requirements, certification standards, and any password protection or other controls necessary to ensure system behavior does not change.¹¹ We note that the Interconnection Discussion Forum is not the correct forum to address this issue, as the Commission needs to make a determination on this issue given that this is an issue related to utility process transparency.

With respect to proposed Issue B, the Utilities maintain that this issue is a subset of Issue 27.¹² We disagree. Issue 27 will focus primarily on the process by

¹⁰ *Id.*, at 6.

¹¹ IREC response at 7.

¹² Utilities Response at 6.

which the Utilities will update settings for the smart inverter functions recommended by the Smart Inverter Working Group in its Phase 1 and 3 recommendations in order to promote grid stability. While proposed Issue B might also hinge on smart inverters, the focus will likely be on a different set of capabilities and certifications. Rather than considering the conditions under which the Utilities may update smart inverter settings, proposed Issue B will likely revolve around a discussion of the certifications and monitoring the Utilities will require to confirm that combined solar and storage systems are not exporting beyond set limits. Assuming that monitoring is necessary, there is no guarantee that smart inverter communications will be the most practical and effective way to achieve it.

There will be overlap in the interested parties for each of the two issues. However, the divergent sets of relevant standards and differences in the project types to which each issue is applicable indicate that there will be significant differences in which parties are engaged on each issue. In short, Issue 27 will be a larger discussion on future operational requirements of smart inverters, and proposed Issue B will address a more limited question centered on certifications and monitoring that would be required to confirm that solar storage systems are not exporting beyond set limits. Accordingly, we add Issue B to the scope of this proceeding and include it in Working Group Three.

We decline to add proposed Issues D and E. We find that proposed Issue D is already subsumed into Issue 12, which is now included in Working Group Three.¹³ We agree with the Utilities that proposed Issue E is unnecessary.

¹³ See also Utilities Response to CALSSA Motion at 7-8.

Footnote continued on next page

D.14-04-003 and D.16-06-052 authorized the Commission's Energy Division to review additional reporting requirements.¹⁴ Hence, a process is already in place to address additional reporting requirements.

Lastly, we address the concern of a changing scope. We recognize that technology continues to change, and aspects of interconnection are evolving. However, we are concerned about the potential for parties to continue to request additional issues to be added to the scope of this proceeding. As pointed out by TURN, a changing scope may waste resources and create uncertainty.¹⁵ It is important for the Commission to resolve the issues in the proceeding in a timely fashion and allow interconnection to take root and grow in a consistent manner. Hence, we ask parties to weigh in on the proper approach to address new issues both while this proceeding is open and after the proceeding has been closed.

Parties are directed to respond to the following questions:

1. In your opinion, what is the most efficient and appropriate way for the Commission to timely resolve the issues in the scope of this proceeding while ensuring that new issues are not ignored?
2. How can the Interconnection Discussion Forum be better utilized to address arising issues during the life of this proceeding and afterwards?
3. What is an appropriate amount of time for technical issues to be vetted by the Interconnection Discussion Forum in order to determine whether they should be resolved with Commission intervention?
4. What parameters should the Commission adopt for determining when the Commission should weigh in on technical issues?

¹⁴ D.14-04-003 at Ordering Paragraph No. 9 and D.16-06-052 at 40.

¹⁵ TURN Response to CALSSA Motion at 2.

5. Should the Commission consider implementing a recurring, cyclical review process via a formal rulemaking proceeding for evaluating emerging or ongoing concerns regarding interconnection rules, policies, and procedures that are not resolved via the Interconnection Discussion Forum or the Expedited Interconnection Dispute Resolution process?

Parties shall file responses to these questions no later than December 3, 2018; replies may be filed no later than December 7, 2018.

3. Need for Evidentiary Hearing

We maintain the determination of the October 2, 2017 Scoping Memo that found there are no issues of material disputed fact. Accordingly, evidentiary hearing is not needed.

4. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge as required to promote the efficient and fair resolution of the Rulemaking:

Working Group Three Commences	December 1, 2018
Monthly Status Reports Commence	January 1, 2019 through June 1, 2019
Working Group Three Report Due	June 14, 2019
Workshop on Working Group Three Report	June 21, 2019
Ruling on Working Group Three Report	July 19, 2019
Comments on Working Group Three Report and Responses to Ruling	August 2, 2019
Reply Comments on Report and Ruling	August 12, 2019
Working Group Four Commences	TBD

Based on this schedule, the proceeding will be resolved within 18 months of the date of this Amended Scoping Memo, as required by Pub. Util. Code § 1701.5.

5. Category of Proceeding/*Ex Parte* Restrictions

This ruling reconfirms the Commission's determination in the October 2, 2017 Scoping Memo that this is a quasi-legislative proceeding. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

6. Intervenor Compensation

In accordance with Pub. Util. Code § 1804 (a)(1), which states: "In cases ... where new issues emerge subsequent to the time set for filing, the Commission may determine an appropriate procedure for accepting new ... notices of intent," this Ruling allows any parties wishing to do so to file a new Notice of Intent to Claim Intervenor Compensation no later than December 1, 2018. New Notices of Intent so filed must comply with Pub. Util. Code §§ 1801-1812 and Rule 17.1 of the Commission's Rules of Practice and Procedure. Furthermore, new intervenors may only intervene on issues new to the scope of this proceeding.

7. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TYT), or send an e-mail to public.advisor@cpuc.ca.gov.

8. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the Administrative Law Judge. The Administrative Law Judge shall be served a paper copy of all filed documents in this proceeding, in addition to electronic service.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must NOT send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

9. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Kelly A. Hymes is the assigned Administrative Law Judge for the proceeding.

IT IS RULED that:

1. The remaining scope of this proceeding is as described above.
2. The schedule of this proceeding is as set forth above.
3. Evidentiary hearings are not needed.
4. The category of the proceeding is quasi-legislative.
5. Parties shall serve the Administrative Law Judge a paper copy of all documents filed in this proceeding.
6. Parties shall file responses to the questions in Section 2 above no later than December 3, 2018. Replies shall be filed not later than December 10, 2018.

Dated November 16, 2018, at San Francisco, California.

/s/ MICHAEL PICKER

Michael Picker
Assigned Commissioner

/s/ KELLY A. HYMES

Kelly A. Hymes
Administrative Law Judge