



FILED

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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

**E-MAIL RULING DIRECTING COMMENTS ON PROPOSED SCOPE
AND SCHEDULE FOR PHASE II**

Dated April 8, 2021, at San Francisco, California.

/s/ KELLY A. HYMES

Kelly A. Hymes
Administrative Law Judge

From: Hymes, Kelly A. <kelly.hymes@cpuc.ca.gov>

Sent: Thursday, April 8, 2021 3:44 PM

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Subject: R1707007 Email Ruling Directing Comments on Proposed Scope and Schedule for Phase II (email 1 of 3)

From: Hymes, Kelly A. <kelly.hymes@cpuc.ca.gov>

Sent: Thursday, April 8, 2021 3:44 PM

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Subject: R1707007 Email Ruling Directing Comments on Proposed Scope and Schedule for Phase II
(email 2 of 3)

From: Hymes, Kelly A. <kelly.hymes@cpuc.ca.gov>

Sent: Thursday, April 8, 2021 3:44 PM

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Subject: R1707007 Email Ruling Directing Comments on Proposed Scope and Schedule for Phase II
(email 3 of 3)

This Email Ruling directs parties to comment on the proposed scope and schedule for the second phase of Rulemaking (R.) 17-07-007, which will address cost allocation-related issues. Comments shall be filed no later than April 23, 2021 and replies shall be filed no later than April 30, 2021.

The October 2, 2017 *Scoping Memo of Assigned Commissioner and Administrative Law Judge* (Scoping Memo) stated there would be a Phase II in Rulemaking 17-07-007, which would address cost allocation issues that arise in connection with new upgrade practices in distribution resource planning. While the November 16, 2018 *Assigned Commissioner's Amended Scoping Memo and Joint Administrative Law Judge Ruling* (Amended Scoping Memo) only addressed Phase I issues of the proceeding, later decisions in this proceeding direct the consideration of certain issues during Phase II.

As we near the completion of Phase I, it is time to consider and establish the scope and schedule of Phase II. The Scoping Memo stated that a prehearing conference would be held to discuss Phase II issues, however, current circumstances surrounding the pandemic make it reasonable to allow for formal filing of comments on the scope and schedule in lieu of a prehearing conference. Over the course of this proceeding, the Commission delayed any cost allocations issues to the second phase of this proceeding. Accordingly, this Email Ruling provides a list of those issues as the proposed scope, as indicated below.

Proposed Scope of Phase II

1. Proposal 1-A, adopted in Decision (D.) 19-03-013, modified Screen Q exemption size threshold from 500 kilowatt net export to 1 megavolt ampere nameplate capacity. The Utility Reform Network and the Public Advocates Office of the Public Utilities Commission supported proposal 1, contingent on evaluating ratepayer cost impacts. Phase II will review to determine if there are ratepayer cost impacts as a result of Proposal 1-A and whether it is appropriate or necessary to establish new fees to address such cost impacts.
2. D.20-09-035, Ordering Paragraph 10, directed Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company (Utilities) to “develop proposals for implementing the concept of Proposal 8I, identifying where interconnection projects are likely to fail Screen L of the Rule 21 Interconnection Application process. Utilities (either individually or together) shall submit testimony, in Phase II of this proceeding, proposing concept implementation approaches with details to include the necessary technology solutions and tools, estimated costs, and proposed cost recovery method.”
3. Ordering Paragraph 7 of D.20-09-035 directs that Proposal 8.i.a. will be revisited during the ratesetting phase of Rulemaking 17-07-007.
4. D.20-09-035, Ordering Paragraph 15, adopted, with modifications, the counter proposal from Utilities to resolve Issue 9, which involves the Limited Generation Profile. In the Working Group Two Report, Utilities expressed concerns about the original proposals. These concerns are also applicable to Utilities’ adopted counter proposal. Concerns included: (1) lack of infrastructure to realize needed generation reductions, and (2) the “impact on subsequent interconnections: if an upgrade is avoided due to an operational constraint but the next customer elects to upgrade, does the operation constraint remain? Do Utilities set rules that state that this line is now an operational constraint line and no upgrades will be allowed even if [they are] customer funded? What systems would be needed to operationalize such rules?” (Working Group Two Report at 123). Phase II will address: (1) infrastructure and costs necessary to implement the Utilities’ counter proposal, (2) how upgrade costs will be treated in the event a circuit’s hosting capacity is exhausted by developers using the Limited Generation Profile of Issue 9, and (3) the relative cost effectiveness of conventional upgrades to “non wire alternative” mitigations.
5. Ordering Paragraph 21 of D.20-09-035 directs that Utilities shall serve testimony in Phase II of this proceeding providing a detailed proposal, the related costs, and a cost/benefit analysis for implementation of the Lightning Review Process, in compliance with the principles adopted in Ordering Paragraph 20, and in consideration of the positions described in the Working Group Two Report.
6. D.20-09-035, Ordering Paragraph 35, directed that no later than 45 days after the Interconnection Portals Workshop required by Ordering Paragraph 35, Utilities shall submit testimony addressing Issue 22, to include a set of portal improvement proposals, improvement costs, and cost recovery proposals. The proposals contained in the testimony shall adhere to two policies: i) the Commission encourages the growth of the use of distributed energy resources, and ii) costs for implementing a subproposal should be recovered from the set of customers who benefit from the subproposal. The testimony will be addressed in the second phase of this proceeding.

7. D.20-09-035, Ordering Paragraph 43 approved Proposal 23f in concept and directed Utilities to develop the timeline, costs, and cost recovery method to implement the proposal, which would modify interconnection portals to enable simple tracking of vehicle-to-grid projects. These will be addressed in Phase II.

Proposed Schedule for Phase II

Activity	Date
Comments on Phase II Proposed Scope and Schedule	April 23, 2021
Reply Comments on Phase II Proposed Scope and Schedule	April 30, 2021
Issuance of Amended Scoping Memo for R.17-07-007	May 14, 2021
Testimony Served	August 13, 2021
Rebuttal Testimony Served	September 13, 2021
Evidentiary Hearing Held	October 25 – 29, 2021
Opening Briefs Filed	November 30, 2021
Reply Briefs Filed	December 21, 2021
Proposed Decision Issued (no later than 90 days after Reply Briefs are filed)	March 21, 2022

Parties are directed to file comments on whether the list of proposed scoping issues provided above is a complete list of cost allocation-related issues the Commission previously indicated as being in Phase II. Parties should identify other cost allocation-related issues that need to be addressed as a result of the proposals adopted in D.19-03-013 or D.20-09-035. Parties should also comment on the proposed schedule, including whether there is need for evidentiary hearing. If parties believe working groups or workshops are warranted, a proposed detailed agenda should also be included in comments. As previously indicated, Phase II is categorized as ratesetting. An amended scoping memo, establishing the scope and schedule of Phase II, will be issued no later than May 14, 2021.

IT IS RULED that parties of Rulemaking 17-07-007 shall file comments on the proposed scope and schedule for Phase II of Rulemaking 17-07-007 no later than April 23, 2021; reply comments shall be filed no later than April 30, 2021.

The Docket Office shall formally file this Email Ruling. Due to the size of the service list, this Email Ruling is being sent in batches.

Kelly A. Hymes
Administrative Law Judge
California Public Utilities Commission
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