



ALJ/KHY/fzs 4/26/2022

FILED

04/26/22

2:11 PM

R1707007

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

**ADMINISTRATIVE LAW JUDGE'S RULING ESTABLISHING
PHASE II SCHEDULE, PROVIDING TESTIMONY GUIDANCE,
AND NOTICING A JUNE 3, 2022 DISTRIBUTION
UPGRADES COST SHARING WORKSHOP**

This ruling establishes the schedule for the second phase of Rulemaking (R.) 17-07-007 and provides guidance to parties on the contents of opening testimony for this phase. As discussed below, opening testimony shall be served on September 30, 2022 and reply testimony shall be served on October 21, 2022. Furthermore, this ruling notifies parties that a second workshop to continue the discussion on distribution upgrades cost sharing proposals will be held remotely, through the Webex platform, on Friday, June 3, 2022 beginning at 10:00 am.

1. Background

The *Assigned Commissioner's Second Amended Scoping Memo and Ruling For Phase II of Proceeding* (Second Amended Scoping Memo) set forth the scope of this phase of the proceeding, which focuses on cost allocation issues. The Second Amended Scoping Memo delayed the commencement of Phase II and the establishment of the schedule until the outstanding advice letters have been disposed. Additionally, the Second Amended Scoping Memo encouraged

parties to meet in order that they would have a better understanding of technical aspects of the scoped issues as well as party positions.

On February 28, 2022, the assigned Administrative Law Judge issued a ruling notifying parties that a workshop to commence Phase II would be held on March 24, 2022 (March Workshop). Related to this ruling, parties reviewed the scope during the March Workshop and discussed expectations for the testimony. The Administrative Law Judge provided a list of topics to be addressed in testimony as well as a proposed proceeding schedule. Parties were invited to comment on the proposed contents of testimony and the proposed schedule. A copy of the slides presented to parties is provided with this ruling as Attachment A.

On April 13, 2022, Energy Division facilitated a workshop to discuss the topic of distribution upgrades cost sharing and provide parties an opportunity to present preliminary ideas on proposals for such cost sharing. Parties also presented information on cost sharing programs currently being deployed in the states of Maryland, Massachusetts, and New York.

2. Phase II Proceeding Schedule and Notice of Second Workshop on Distribution Upgrades Cost Sharing

The Administrative Law Judge provided a proposed proceeding schedule during the March Workshop, as shown on Slide 21 of Attachment A. Parties generally supported the proposed schedule. However, representatives of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Utilities) commented on the timing of the opening testimony, explaining that the costs estimates to be provided in testimony would depend upon the disposition of the remaining advice letters. During the March Workshop, Energy Division reported that remaining advice letters had not been

disposed of yet. Representatives of Utilities requested an additional month to prepare and serve opening testimony.

As noted in the background above, a workshop on distribution upgrades cost sharing was held on April 13, 2022. The proposals presented by parties were preliminary and, in order to ensure a complete record, a second workshop is necessary. The workshop will be held on Friday, June 3, 2022 beginning at 10:00 a.m. and ending approximately at noon. Parties can join by computer or phone as indicated below.

Join by computer:

Meeting login link:

<https://cpuc.webex.com/cpuc/j.php?MTID=m96ace355a25c5ae6d31dbf56434fe143>

Meeting number: 2493 697 9723

Meeting Password: dx_upgrades

Join by phone:

1-855-282-6330 United States Toll Free

+1-415-655-0002 United States Toll

Access code: 249 369 79723

Parties are instructed to confirm workshop participation no later than May 24, 2022 by sending an email to James "Jimmy" Mahady at james.mahady@cpuc.ca.gov.

In recognition of (i) the need for this additional distribution upgrades cost sharing workshop; (ii) the need to have a final disposition of the outstanding advice letters from phase 1 of the proceeding so that parties know what costs estimates are needed; and (iii) the need for additional time to analyze cost estimates for certain aspects of the opening testimony and finalize proposals from the workshop, the proposed schedule has been adjusted accordingly. I note

that Utilities have had over a year to analyze and prepare cost estimates, including estimates of the various outcomes of the advice letters.

The following schedule is adopted:

Activity	Date
Distribution Upgrades Cost Sharing Workshop Two	June 3, 2022 10:00 a.m. to 12:00 p.m.
Opening Testimony Served	September 30, 2022
Rebuttal Testimony Served	October 21, 2022
Party List of Disputed Facts Served	November 4, 2022
Remote Status Conference	November 15, 2022
Remote Evidentiary Hearing	December 1 - 7 (optional days of December 8 -9 reserved, if needed)
Opening Briefs Filed	January 6, 2022
Reply Briefs Filed (Record Submitted)	January 20, 2022
Proposed Decision Issued	90 Days after Record Submission

3. Party Guidance for Opening Testimony

During the March Workshop, the Administrative Law Judge presented a list of proposed topics parties should address in testimony, see Slides 19 and 20 of Attachment A. It is anticipated that only Utilities would have the information to present opening testimony on certain topics, as noted in the slides. During the workshop, parties asked for clarification on some topics but generally agreed on the list. Accordingly, parties are encouraged to provide testimony on the following topics. As indicated below, it is anticipated that only Utilities have access to information for opening testimony for certain scoped issues.

- Utilities should provide testimony that includes implementation details and costs for Proposal 81, which was adopted in concept in Decision (D) 20-09-035.

- Proposal 81 requires Utilities to post an indication of potential Screen L results on Integration Capacity Analysis maps. D.20-09-035 directed Utilities to continue to develop proposals for implementing Proposal 81 and submit in testimony along with necessary technology solutions and tools, and proposed implementation costs. (D.20-09-035 at 45.).
- All Parties should provide testimony supporting or opposing the adoption of Option A of Proposal 8i and Utilities should also include proposed costs to implement Option A. Option A of Proposal 8i was considered in D.20-09-035 but not adopted because the record did not contain costs associated with this option and did not provide facts regarding the allegation that Option A would make the Fast Track process less efficient. D.20-09-035 stated the Commission would reconsider Option A in the ratesetting phase of the proceeding. (D.20-09-035 at 44.)
 - Utilities should provide testimony that includes the costs and any additional infrastructure details to implement the Utilities' counter proposal for Issue 9. The Commission adopted the Utilities' counterproposal for Issue 9 with modification in D.20-09-035. Issue 9 looks at the conditions of operations the Commission should address to allow distributed energy resources to perform within existing hosting capacity constraints while avoiding the triggering of upgrades. The counter proposal -which cannot be implemented until a certification scheme for the Limited Generation Profile has been developed and adopted - allows a customer to establish monthly scheduled output limits using a Limited Generation Profile, includes a 10 percent buffer and allows Utilities to reduce generation but only to ensure safe and reliable service. (D.20-09-035 at 55-60.)
 - Utilities should include a detailed proposal, the related costs, and a cost-benefit analysis for implementation of the Lightning Review Process adopted in D.20-09-035. The concept of the Lightning Review Process was adopted by

the Commission in D.20-09-035 along with four principles for developing enhancements for streamlining in the process. The Lightning Review concept is predicated on an interconnection review process streamlined to the maximum extent possible for the broadest range of applications for non-exporting energy storage installations. (D.20-09-035 at 76-81.)

- Parties should provide testimony to justify whether the Commission should revise the current policy and process regarding distribution upgrade costs. D.21-06002 found insufficient evidence to revise such policies but found value in continuing an exploration of the issue.
- Parties may provide testimony that includes data from the Utilities' October 22, 2021 report on costs associated with all interconnections and impact of cost shifts from net energy metering projects triggering upgrades. D.21-06-002 found unclear costs and benefits in the current distribution upgrade process. Hence, Utilities were directed to perform a study on the costs of upgrades related to both net energy metering projects and non-net energy metering projects and file the data in this proceeding. Specifically, Utilities were directed to file a report on the impacts on non-net energy metering customers of the cost shift of upgrades related to net energy metering projects that were paid by applicants triggering the upgrades but have not benefitted other interconnection customers or ratepayers. (D.21-06-002 at pages 32-34 and Ordering Paragraph 7.)
- Parties should provide testimony on Distribution Upgrades Cost Sharing Proposals including complete details on proposals discussed during the April 13, 2022 and upcoming June 3, 2022 workshops. D.21-06-002 noted that parties presented ideas for changes to the current cost-sharing process but not full proposals. (D.21-06-002 at 32-34.) Further guidance may be provided following the June 3, 2022 workshop.
- All parties should provide testimony that addresses whether the Commission should revise the Rule 21

application fee for non-net energy metering systems.
Testimony should include proposals and justification for
any revisions.

IT IS RULED that

1. A second distribution upgrades cost sharing workshop will be facilitated by Energy Division on Friday, June 3, 2022, beginning at 10:00 a.m. and will be held remotely on the Webex platform at the link and telephone number provided in section 2 above.
2. Parties shall confirm attendance at the June 3, 2022 workshop by sending an email to James Mahady as described in section 2 above.
3. The proceeding schedule presented in section 2 is adopted.
4. Parties shall serve opening testimony as indicated in the guidance provided in section 3 above on September 30, 2022. Reply testimony shall be served on October 21, 2022.

Dated April 26, 2022, at San Francisco, California.

/s/

Kelly A. Hymes
Administrative Law Judge

ATTACHMENT A