BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations.	Rulemaking 25-08-004

REPLY COMMENTS OF PEARLX ON ORDER INSTITUTING RULEMAKING TO UPDATE DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS

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November 10, 2025

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Pursuant to Rule 6.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, PearlX submits these reply comments on the *Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulation*s issued on August 20, 2025 ("Interconnection OIR").

I. INTRODUCTION

The initial comments in this proceeding demonstrate intense interest in this topic from a wide variety of organizations. PearlX opposes the scoping into the proceeding of a limited number of specific items discussed below, but more importantly implores the Commission to break out the most impactful issues and address those first. The number and complexity of topics could create a very long proceeding, and if we are to have any hope of these reforms making an immediate impact, we need the Commission to focus on the highest-impact changes first.

II. THE COMMISSION MUST PRIORITIZE FINANCIAL PENALTY FRAMEWORK

A. Preliminary Scoping Memo Issue 2: The Commission Should Adopt a Financial Penalty Framework

Many parties agreed that a financial penalty framework was the only appropriate remedy to the lack of utility compliance with established Rule 21 timelines. PearlX again urges the

Commission to adopt the penalty framework laid out in the recent formal complaint filed by CALSSA on this very matter of interconnection timelines:[1]

Compliance Rate	**Fine in Dollars**
95% - 100%	$0
85% - 95%	$125k
75% - 85%	$250k
65 – 75%	$375k
55% - 65%	$500k
45% - 55%	$625k
35% - 45%	$750k
25% - 35%	$875k
15% - 25%	$1 million
0% - 15%	$1.125 million

PearlX urges the Commission to prioritize Preliminary Scoping Memo issues 1.a and 2.a as "Phase I" issues and target the issuance of a Proposed Decision on Phase I by no later than April 2026. With that, for complex NEM and VNEM projects that benefit multifamily renters, it is also critical that the Commission include in the scoping memo Rule 21 timelines for VNEM which are currently not reported on by utilities. If these projects which are designed to benefit multifamily rental communities are not reported on an enforced, then the Commission would be missing an opportunity to help promote more equity in solar deployment to low-income and renter populations.

III. DISPUTE RESOLUTION

[1] C.25-08-021, CALSSA vs PG&E (U 39E) and SCE (U 338-E), Appendix at pp. 32-33, Table 7 (Aug. 28, 2025).

The OIR posed the issue of potential modifications to the existing Expedited Interconnection Dispute Resolution process, which prompted SCE to propose embracing and expanding a system of "informal escalation[2]" to resolve disputes or issues that arise in the interconnection process. PearlX strongly opposes any kind of informal or unregulated process to resolve disputes and would contend that the Commission could aid in this matter by simplifying the dispute process, beginning with defining exactly what rises to the level of "dispute". The reason for "informal escalations" is almost always because a developer has received no updates or communication about a project for well past the Rule 21 established timelines and are attempting to move projects along and are, in our opinion, a sign of a broken process. While we thank SCE staff and appreciate their willingness to engage in this manner, we contend that if the utilities were meeting benchmarks, informal escalations would not be necessary.

IV. ITEMS THAT SHOULD NOT BE SCOPED INTO THE PROCEEDING

PG&E in its comments suggested that the Commission formalize a type of consulting service that the utility would offer to installers and customers[3]. While PearlX appreciates creative thinking about solving problems, we would contend that the IOU's are already required to effectively perform this service by Rule 21[4]. In complex NEM and VNEM, PG&E in fact already does assign an engineer to each project for the duration of the project, which is actually a very effective system that helps reduce confusion and project stagnation and we would encourage other utilities to adopt as well.

V. CONCLUSION

[2] SCE Comments, p. 12
[3] PG&E Comments, p. 7
[4] Electric Rule 21 E.2.a

PearlX appreciates the Commission instituting this Rulemaking to consider ways to improve the interconnection process at such a critical time for clean energy development, and in particular its consideration of the unique needs of multifamily solar projects in rental communities.

Respectfully submitted,

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