BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

FILED
11/10/25
04:59 PM
R2508004

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

REPLY COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION ON ORDER INSTITUTING RULEMAKING TO UPDATE DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS

SOLAR ENERGY INDUSTRIES
ASSOCIATION
Jeanne B. Armstrong
Senior Regulatory Attorney
Sacramento, California
Telephone: (916) 276-5706
Email: jarmstrong@seia.org

November 10, 2025

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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

REPLY COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION ON ORDER INSTITUTING RULEMAKING TO UPDATE DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS

Pursuant to the *Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulation*s issued on August 20, 2025 ("OIR"), the Solar Energy Industries Association ("SEIA") respond to the comments that were submitted in the above captioned proceeding on October 20, 2025.

I. INTRODUCTION

The comments illustrate a broad interest in this proceeding and the need to amend certain interconnection processes and practices to ensure effective and timely interconnection of distributed energy resources ("DER") to the distribution grid. The recommendations for Commission consideration were vast and varied, and, with limited exception (as addressed below) SEIA does not object to these issue being scoped into the proceeding. However, given the potential breadth of the scope of this proceeding, there is a heightened need for the Commission to prioritize issues that warrant immediate resolution and set the schedule accordingly.[1] In doing so, the Commission should bear in mind that expedited consideration of certain issues may allow

---

[1] See, e.g., *Tesla Inc.'s Opening Comments on the Scope, Schedule and Prioritization of Issues for Rulemaking 25-08-004 Addressing Updates to Distribution Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("Tesla Comments"), p 16 ("To maximize the impact of this docket in facilitating access to federal tax credits and more generally to facilitate near term deployment, Tesla strongly encourages the Commission to not wait until all issues within the scope of the OIR are resolved and issue a single omnibus decision, but instead identify and resolve on an expedited basis those issues that can provide the most near-term "bang for regulatory buck".).

some projects to take advantage of the waning federal tax credits, to the benefit of California ratepayers, consistent with the Governor's Executive Order directing the Commission to "accelerate and prioritize" clean energy projects that could qualify for federal tax credits before the relevant deadlines."[2]

Similarly in finalizing the scope of this proceeding, the Commission should remain focused on the efficacy of the Rule 21 process and whether the proposed issues to be address will promote the timely, non-discriminatory, cost-effective and transparent interconnection of DERs at this time. If not, then the issue should not be scoped into the proceeding.

II. PRIORTIZATION OF ISSUES

In its Opening Comments, SEIA demonstrated the need for the Commission to set for expedited consideration (1) immediate mitigation to the Screen Q roadblock, and (2) the creation of a penalty framework for investor owned utility ("IOU") noncompliance with current Rule 21 timelines.[3] SEIA was not alone in recognizing the need to expedite these issues. For the most part, the parties which spoke to prioritization of issues focused on Screen Q and IOU timeline compliance and highlighted how such prioritization provides an opportunity for some projects to harness the quickly expiring federal tax credits.

Thus, for example, the Interstate Renewable Energy Council ("IREC") asserts that the Commission should set the topic of IOU noncompliance with Rule 21 timelines "for emergency consideration in an accelerated first phase of this proceeding and immediately seek comment on

---

[2] California Executive Order N-33-25 (EO) available at https://www.gov.ca.gov/wp-content/uploads/2025/08/Clean-Energy-EO_8.29.25_Formatted.FINAL_ATTESTED.pdf

[3] *Comments of the Solar Energy Industries Association on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("SEIA Comments"), p. 2.

the measures necessary to rectify utility non-compliance."[4] To this end they noted that "[d]ue to recent changes in federal law, many projects must rapidly connect to the grid in order to utilize federal tax credits before they expire."[5] Similarly, the California Solar & Storage Association ("CALSSA") "urges the Commission to establish a separate, accelerated track" to consider compliance with the interconnection timelines in Rule 21, recognizing that the IOU compliance with those timelines "could make the difference between securing federal tax incentives or not, and consequently, project viability."[6]

With respect to addressing the Screen Q barrier, the need to take immediate action was repeatedly emphasized. For example, IREC asserts that "reform of Screen Q is a vital topic for the Commission to address and urges the Commission to prioritize immediate action on this topic."[7] The Clean Coalition,[8] the Coalition for Community Solar Access ("CCSA"),[9] the California Energy Storage Association ("CESA"),[10] and CALSSA,[11] all noting the virtual standstill of projects above 1 MW in the interconnection process, also specifically advanced the

---

4 *Comments of the Interstate Renewable Energy Council Updates to Distribution Level Interconnection Rules and Regulations*, R. 25-08-004 (October 20, 2025) ("IREC Comments"), p. 5.

5 *Id.*

6 *Comments of the California Solar & Storage Association on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("CALSSA Comments"), p. 27.

7 IREC Comments p. 2.

8 *Clean Coalition Comments on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025), pp. 2-3.

9 *Opening Comments of the Coalition for Community Solar Access on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations*, R. 25-08-004 (October 20, 2025) ("CCSA Comments"), p. 15.

10 *Comments of the California Energy Storage Association on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations*, R. 25-08-004 (October 20, 2025) ("CESA Comments"), p. 5.

11 CALSSA Comments, pp. 25-26.

need to address the Screen Q barrier on an expedited timeframe.

The Scoping Memo should reflect these requests for expedited consideration and adopt a schedule which effects the resolution of an immediate mitigation to the Screen Q roadblock and a penalty framework for IOU noncompliance with current Rule 21 timelines by the second quarter of 2026.

III. RULE 21 ENGINEERING REVIEW

A. Screen Q

The comments offered a variety of proposed modifications to Screen Q. SEIA will not comment on the substance of these proposals as there will be opportunity to do so later in the proceeding. That said, SEIA believes that in scoping the proceeding, the Commission should clarify that proposed reforms to Screen Q should serve a clearly defined purpose consistent with removing barriers to the interconnection of distributed energy resources. To this end, proposals consistent with this overarching goal were offered by CESA,[12] CCSA, [13] and Southern California Edison Company ("SCE"),[14] to name a few parties.

In contrast, the proposal offered by San Diego Gas & Electric Company ("SDG&E") was confusing, lacking clarity on how the recommended modifications to the screening process would both eliminate the current Screen Q barrier while also maintaining its underlying purpose - determining if large projects are likely to trigger incremental reliability network upgrades ("RNU") at the CAISO transmission level. Rather, SDG&E's "fix" for the Screen Q barrier,

---

12 CESA Comments, pp. 6-15.

13 CCSA Comments, pp. 8-11.

14 *Opening Comments of Southern California Edison Company on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("SCE Comments"), pp. 3-4.

combined with its other proposals for modifications to the interconnection process, appear formulated to impede, rather than facilitate, interconnection.

Specifically, SDG&E proposes a more robust Screen L and the elimination of Screen Q. In this regard SDG&E states:

> Modifying Screen L to include testing against voltage and thermal limits identified in the most recently completed California Independent System Operator Corporation ("CAISO") Transmission Cluster Study or Transmission Plan developed pursuant to the CAISO's Transmission Planning Process ("TPP"), *eliminates a gap in the current Rule 21 interconnection process and provides alignment with the equivalent Fast Track screen language in the CAISO tariff (Appendix DD, Section 5.2.1.6). Furthermore, by making Screen L more robust as regards transmission system impacts, the need for Screen Q (Electrical Independence Test for Transmission System) is eliminate*d. A "Pass" on modified Screen L ensures the interconnection will be reliable and provides an opportunity for quick interconnection. A "Fail" will lead to the Distribution Group Study Process where the impact of multiple interconnection requests on the same circuit can be assessed for impacts on the distribution or transmission system, and, if necessary, to Detailed Studies.[15]

SDG&E, however, fails to explain (1) the "gap" in the Rule 21 process that its proposal is intended to fill, (2) why it is necessary to align Screen L with the equivalent CAISO tariff screen, (3) how modifying screen L to include testing against voltage and thermal limits replaces the need to determining if a project is likely to contribute to incremental RNUs at the transmission level, or (4) why if a project fails Screen L (which apparently would mean it has transmission level impacts) it would move on to the distribution study process and not the CAISO transmission cluster study. While SEIA welcomes all proposals that will alleviate the current Screen Q blockage, particularly those that would avoid the need for DERs to go through

---

[15] *Comments of San Diego Gas & Electric Company on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("SDG&E Comments"), p. 3 (emphasis added).

the CAISO cluster study process, as described in our opening comments,[16] what has been offered by SDG&E generates more questions than answers and does not provide a clear path forward.

B. Interconnection Study Process

Additionally, SDG&E recommends changing the existing Rule 21 interconnection study process such that even if a project passes Supplemental Review (Screens N,O, P) it will still be required to go through the Distribution Group Study Process (unless the project is a wholesale generator, which is not the majority of Rule 21 interconnection requests, and opts to be converted into an application for interconnection under SDG&E's WDAT).[17] Currently Rule 21 provides that projects which pass the supplemental review screens can proceed to interconnection. SDG&E does not identify any clear benefits of requiring all projects which have passed Supplemental Review to undergo the Distribution Group Study Process, making only a vague assertion that by "including all interconnecting generators in the Distribution Group Study Process, any adverse impacts on the transmission system can be identified."[18] But SDG&E does not delineate why including projects which have passed Supplemental Review is now necessary in order to discern transmission system impacts while it has not been previously. As discussed in more detail below, while Distribution Group Study process is not as onerous as the Transmission Cluster Study process, it does create the potential for substantial delay.

C. Independent Study Process

SDG&E asserts that "[a]ny reference to an Independent Study Process track within Rule 21 should be eliminated" in order to "eliminate confusion and provide consistency among Rule

[16] SEIA Comments, pp. 6-9.

[17] SDG&E Comments, pp. 4-5.

[18] *Id.*, p. 5.

21, SDG&E's WDAT, and the CAISO tariff."[19] Removal of the Independent Study Process from Rule 21 for the sole purpose of conforming with the WDAT and CAISO's tariff is not warranted. Moreover, it is in direct conflict with the Governor's directives to the Commission under the Executive Order to take action to "accelerate and prioritize" projects that have an opportunity to qualify for federal tax credits prior to their expiration.

First, as SDG&E admits, its proposed removal of the Independent Study Process from its WDAT is still pending at FERC.[20] But even if FERC approves that removal, it has no bearing on Rule 21, which is completely under the Commission's jurisdiction. There is no requirement that the provisions of the CAISO tariff, the WDAT and Rule 21 conform. Indeed, SDG&E does not propose conformity of all provisions, just the ones that suit its agenda. Thus, for example, the CAISO tariff has been modified, consistent with FERC Order 2023, to eliminate the "reasonable efforts" standard for completing interconnection studies and instead includes study delay penalties applicable when transmission providers fail to complete interconnection studies by the deadlines in their tariff.[21] SDG&E does not appear to believe a comparable penalty framework is necessary in Rule 21 in order to "eliminate confusion and provide consistency."

Second, elimination of the Independent Study Process leaves only one pathway for projects irrespective of whether they pass or fail the electrical independence test under Screen R – the Distribution Group Study. While this study process is not as onerous as the Transmission Cluster Study process it does create the potential for substantial delay. While Rule 21 provides that "there will normally be two (2) Distribution Group Study Application windows annually"

---

19 *Id.*, pp. 5-6.

20 *Id.*, p. 5.

21 California Independent System Operator Corporation, FERC Docket No. ER24-2042-000, Order on Compliance (May 15, 2025) available at https://www.caiso.com/documents/may-15-2025-order-accepting-caiso-tariff-amendment-in-compliance-with-order-2023-er24-2042.pdf

(March and September) it also provides that “the Distribution Provider may change the Distribution Group Study Application window interval and opening or closing dates.”[22] Thus, even if the IOUs maintained the two Distribution Group Study Application windows contemplated under Rule 21 (which they are not required to do) a project could find itself waiting seven months after failing Screen R to get into a Distribution Group Study. These kinds of delays often strain project economics.

D. Screen R

As the final component of its proposal to make DER interconnection more difficult, SDG&E has proposed to remove Screen R, asserting that it is no longe necessary once the Independent Study process is eliminated as the Distribution Group Study Process will identify interdependencies with other interconnecting generators.[23] As discussed previously, there is no basis for elimination of the Independent Study process thus reliance solely on the Distribution Group Study Process to identify interdependencies with other interconnecting generators is not warranted.

Moreover, while SCE does not call for elimination of the screen, it does assert that there is no need to reform the screen and “recommends that discussions regarding changes to Screen R not be included in the Rule 21 OIR.”[24] The Commission should ignore SCE’s recommendation. As both SEIA’s and CALSSA’s comments highlight, there are an increasing number of projects failing this screen.[25] Such failure may result from the methodology employed to run the

---

[22] Rule 21, Section E.2.c.

[23] SDG&E Comments p.7.

[24] SCE Comments, p. 4.

[25] SEIA Comments, p.15; CALSSA Comments, p. 31.

screen.[26] The Commission should examine the Screen to determine if it is being applied in a manner that unnecessarily impedes DER interconnections.

IV. INTEGRATION CAPACITY ANALYSIS

Included in the OIR's preliminary scoping memo is the issue of "How should the Commission ensure the IOUs' practices and processes comply with the requirement to utilize ICA values in conducting Rule 21 screens on interconnection projects." Both SCE and PG&E argue that this issue should be removed from the OIR as it is currently being addressed in the High DER proceeding (R.21-06-017) and, as part of that proceeding, the IOUs file biannual reports and holds quarterly workshops on ICA improvements.[27] SEIA does not dispute that work regarding the ICA is occurring in R. 21-06-17. But the issue in that proceeding is framed to address improvements to the methodology and input criteria used to generate the ICA. Thus the R. 21-06-017 Scoping Memo contains the following issue:

> How should Integration Capacity Analysis data and calculations be improved to enhance accuracy and usefulness for DER planning, siting, and interconnection, especially with respect to electrification load?[28]

This issue as framed for consideration in R. 21-6-017 is divorced from the issue which is set forth in preliminary scoping memo for this OIR which is focused on the proper utilization of ICA values in conducting Rule 21 screens.[29] The Commission should retain the issue of the ICA's use in the Rule 21 process within the scope of this proceeding.

---

[26] CALSSA Comments, p. 31.

[27] *See* PG&E Comments, p. 3; SCE Comments, p.13.

[28] *Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future, Assigned Commissioner's Scoping Memo and Ruling,* R.21-06-017 (November 15, 2021), pp. 4-5.

[29] *See* IREC Comments, p. 13 (delineating between ICA issues which are appropriately in R. 21-06-017 and those which are in this proceeding); *see also Comments of Advanced Energy United on Association on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("AEU Comments"), pp. 9-10.

IV. CLARIFY SCOPE OF ISSUE 2 - INTERCONNECTION PROCESSES

A. Rule 21 Timelines

As stated above, several parties promoted the expedited review of IOU compliance with Rule 21 timelines and the need to establish a penalty framework to ensure such compliance. While the IOUs do not advance a penalty structure they do advocate for a review of the Rule 21 timelines.[30] Of concern, however, is SCE's assertions that there are new "activities" that have occurred since the adoption of the timelines in D. 20-09-035 that have substantial impact on its ability to meet those timelines. Examples of such "activities" are the rush of applicants to secure a position in the closing of the NEM 2.0 program for both standard and non-standard projects, the introduction of new customer programs, and the introduction of new interconnection technologies such as meter socket adapters.[31] SCE implies that there is a tradeoff between the ability to respond to these "activities" and the ability to meet Rule 21 compliance requirements.[32] The Commission should reject such an argument. It is incumbent upon the IOUs to integrate new activities and processes into their planning to insure timelines are met, not use those new activities and processes as an excuse not to meet the timelines. For example, while SCE's average timeline for meter sock adapter installation is 50 days, the other two IOUs average 15 days, illustrating that new "activities" can be timely incorporated into the Rule 21 timelines.

B. Timelines for Complex NEM Projects

Preliminary Scoping Issue 2.a. addresses whether measures are needed to improve the IOUs' compliance with the interconnection timeline benchmarks established in D.20-09-035.

---

30 SCE Comments, pp. 8-9; *Pacific Gas and Electric Company's Opening Comments on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025) ("PG&E Comments") , p. 2.

31 SCE Comments, p. 10.

32 *Id.*

SEIA's opening comments delineated the need to further refine this issue such that it is clear that Commission will also be examining Rule 21 timelines through the lens of Complex NEM projects (e.g., multifamily VNEM and SOMAH) in addition to the examination of the IOUs' compliance with the existing timelines more broadly.[33] The need for this examination was further supported by CALSSA who observed that:

> These projects interact with utility staff across multiple departments, including interconnection and service planning, and require many touchpoints with various utility staff. These numerous touchpoints present additional chances for delay and bottlenecks. Furthermore, multifamily projects typically require the installation of a Net Generating Output Meter (NGOM), adding engineering and planning steps that are typically unnecessary for single-meter projects. [34]

The opportunity for delay for the interconnection of these type of projects is amplified by the fact that there are several steps in their processing of these Complex NEM applications that are outside the Rule 21 process and thus are not part of the Rule 21 compliance timetable. SEIA agrees with CALSSA that as part of this proceeding the Commission should "focus on defining timelines in Rule 21 for each step in the multifamily interconnection process and the direct the IOUs to report on each of those timelines."[35]

B. Dispute Resolution

The OIR raised the issue of potential modifications to the existing Expedited Interconnection Dispute Resolution process reflected in Rule 21. In response to this issue, SCE appears to be requesting that the Commission eliminate this formalized dispute process in favor

---

33 SEIA Comments, pp. 16-17.

34 CALSSA Comments, p. 22. Concerns about the persistent delays in the interconnection process for multifamily projects were also raised by Essex Propoerty Trust (comments, pp. 2-5) and Pearl X (comments, pp. 5-6).

35 CALSSA Comments, p. 22.

of using informal escalations to resolve disputes that arise during the interconnection process.[36] As stated by SCE "the current dispute resolution processes described in Rule 21 may appear to be too burdensome or highly procedural by most of the interconnection customers to navigate so they use informal escalations."[37] To this end SCE "highly recommends a thoughtful discussion on an informal escalation process." [38] The Commission should not reformulate this issue in a manner which focuses solely on a "formalized" informal escalation process.

While SCE's observations regarding the burdensome nature of the Rule 21 dispute resolution process may be correct, it does not provide basis for elimination of that process. Indeed, CALSSA comments raise questions to the effectiveness informal dispute resolution:

> In the case of SCE, it is common for customers to be directed to email a generic email inbox. However, the SCE staff answering escalations sent to that inbox often lack the experience and seniority to resolve such disputes. Further, customers commonly wait 30 days or more before receiving a response from the generic email inbox. Even if contact is made with the right IOU personnel, it can be extremely difficult to schedule calls for disputes that are complex enough to require a live conversation (e.g. confusion over the technical capabilities of a battery).[39]

The experiences detailed by CALSSA show why sole reliance on an informal process is not to the benefit of customers. Rather the Commission should take this opportunity to review the Rule 21 dispute resolution process and make modifications that will be render it easier to use.

V. ISSUES TO BE EXCLUDED FROM SCOPE

A. Upgrade Costs Due to Sustained Load Reduction

SEIA's comments argued for the removal from scope of the issue of "responsibility for

---

36 SCE Comments, p. 12.

37 *Id.*

38 *Id.*

39 CALSSA Comments, p. 30.

upgrade costs resulting from a Sustained Load Reduction in service load by customer(s) on a circuit." Specifically, SEIA argued that "the Commission should not expend its limited resources, as well as those of stakeholders, addressing an attenuated issue for which there is no near term need for resolution."[40] SEIA was not alone in its request to remove this issue from the proceeding. Thus, SCE noted that "[a]s of the date of this filing, SCE has received no LGP projects for its approval. Therefore, SCE recommends that the processes already put in place by the Commission not be modified at this time."[41] Similar comments were made by the Vehicle - Grid Integration Councill[42] and IREC,[43] while other parties such as Tesla [44] and Advanced Energy United[45] expressed concerns about the broader policy questions raised by the issue which warranted a broader venue if they were to be discussed. In short, the Commission should remove this issue from the scope of this proceeding.

B. Consulting Services

The Commission should reject PG&E's recommendation that "the Commission consider reviewing whether the IOUs should provide interconnection customers an additional option to allow the IOUs to provide consulting services."[46] To this end, PG&E states that this service "would aid installers and customers with tariff interpretation and project feasibility by providing guidance from individuals familiar with relevant procedures."[47] It is not clear what these

---

40 SEIA Comments, p. 22.

41 SCE Comments, p. 20.

42 *Comments of the Vehicle-Grid Integration Council on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations,* R. 25-08-004 (October 20, 2025), p. 9.

43 IREC Comments, pp. 24-25.

44 Tesla Comments, pp. 10-11.

45 AEU Comments, p.14.

46 PG&E Comments, p. 7.

47 *Id.*

consulting services would provide that is above and beyond the IOU obligation to engage with the customer throughout the interconnection process. Indeed, Electric Rule 21 E.2.a. provides that:

> Distribution Provider will establish an individual representative as the single point of contact for Applicant but may allocate responsibilities among its staff to best coordinate the Interconnection of an Applicant's Generating Facility.

Moreover, while not stated, an underlying assumption is that the IOU would be paid by the interconnection customer for these services, providing an unwarranted revenue stream for the IOU.[48] If the true purpose of PG&E's recommendation is to help make the process more understandable and manageable for the customer, this should already be achieved through the fulfillment of its duties under Rule 21.[49]

Respectfully submitted this 10th day of November 2025 at San Francisco, California.

By: /s/
Jeanne B. Armstrong

Senior Regulatory Attorney
Solar Energy Industries Association
Sacramento, California
Telephone: (916)-276-5706
Email: jarmstrong@seia.org

---

48 Indeed, if the IOUs were to be paid for "consulting services" it might drive the IOUs to make the process more complex.

49 *See* CALSSA Comments, pp. 19-20 (discussing need for the Commission to enforce this provision in Rule 21).