

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Establish Energization
Timelines

Rulemaking 24-01-018
(Filed January 25, 2024)

**ENVIRONMENTAL DEFENSE FUND OPENING COMMENTS ON PROPOSED
DECISION ESTABLISHING A STANDARD OFFER FOR FLEXIBLE SERVICE
CONNECTIONS**

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I. INTRODUCTION

Pursuant to the Proposed Decision of Commissioner Alice Reynolds, filed December 24, 2025, in Docket R.24-01-018 (“Proposed Decision” or “PD”), Environmental Defense Fund (“EDF”) respectfully files these Opening Comments.¹ In short, the Proposed Decision aims to establish a standardized Flexible Service Connection (“FSC”) agreement (“Standard Offer”) narrowly tailored to a specific and limited use case where firm capacity is provided solely as a bridging solution until customers can be provided with full capacity.

EDF strongly supports the Proposed Decision as an important step toward enabling FSCs for more customers and fostering a more efficient, reliable, and cost-effective distribution grid. EDF also supports the requirement that PG&E and SCE standardize their offers, rather than relying on informal pilots, as this will establish a reliable baseline that can inform future implementation and ensure consistency for current and prospective customers. While EDF is generally pleased with the Commission’s approach in this matter, we recommend several targeted modifications to ensure the decision fully achieves its policy objectives. In particular, EDF recommends the following:

- Require SDG&E to offer a standard FSC;
- Avoid evaluating FSCs on a case-by-case basis;
- Clarify that the utilities must offer a single-value FSC;
- Clarify the intent of the “safe harbor” language;
- Streamline timeline targets where energization work and grid upgrade work overlap; and
- Designate the High DER proceeding as the appropriate venue to continue work on long-term non-bridging solution FSCs.

Taken together, these recommendations would enhance transparency, promote equitable treatment of customers, improve administrative efficiency, and ensure that FSCs are implemented effectively to maximize grid utilization, customer benefits, and long-term system planning.

¹ Docket R.24-01-018, *Order Instituting Rulemaking to Establish Energization Timelines*, Decision Establishing a Standard Offer for Flexible Service Connections (Dec. 24, 2025). [hereinafter “PD”].

II. DISCUSSION

A. The Final Decision Should Apply to SDG&E

Currently, the Proposed Decision would require PG&E and SCE to create a standardized FSC offering, but would not apply to SDG&E at this time.² EDF recommends that the Commission apply this Decision to SDG&E as well to ensure consistency for customer experience and implementation. Although SDG&E has stated that it does not currently experience customer interconnection challenges attributable to grid constraints, this proceeding is not intended to address only present-day conditions.³ Rather, FSCs are designed to enhance the overall efficiency, flexibility, and utilization of the distribution grid now and in the future. Limiting their application based solely on current system conditions would undermine these broader objectives.

Irrespective of whether SDG&E is currently facing significant constraints, it should be proactively preparing to address future ones. SDG&E should be planning for the likelihood that its existing infrastructure will be increasingly strained by growing customer demand, particularly given the significant load growth that is necessary across California to meet the State's decarbonization goals. Applying this decision uniformly to SDG&E would promote consistency across California's large utilities, support long-term grid planning, and ensure that SDG&E is prepared to manage future interconnection challenges in a cost-effective and equitable manner.

B. The Commission Should Clarify That There is No Requirement to Avoid Examining LLPs on a Case-by-Case Basis

The Proposed Decision directs the utilities to "extend the FSC option to all customers where there is both a customer and ratepayer benefit, even if there is a period of the year where the customer cannot have their full requested demand served."⁴ The Commission should clarify that it is neither requiring nor expecting utilities to conduct a case-by-case benefit-cost analysis to make this determination.

At this time, utilities should not condition each customer's FSC eligibility on an a priori estimate of potential future costs and benefits attributable to that customer's participation. Case-by-case evaluation is not necessary at this stage as there is no evidence in the record in this

² PD at 2.

³ SDGE Bridging Strategies and Solutions report at A-7.

⁴ PD at 25.

proceeding or elsewhere that static FSCs impose meaningful implementation costs on utilities. As PG&E has stated in response to a data request from EDF in its current rate case, it “does not currently forecast any capital or expense costs associated with the continued use of load limit letters due to their negligible cost.”⁵ Absent evidence of anything more than negligible costs for use, requiring individual cost-benefit analysis will only serve to limit their use, would be administratively burdensome, and would risk inconsistent treatment across customers and utilities.

While EDF does support data collection on FSC implementation costs as the PD proposes, the Commission should recognize that project-specific data may be of limited predictive value at this stage because FSCs are still relatively new.⁶ The utilities will incur one-time startup costs associated with implementing their standardized FSCs, which could inflate apparent early costs. Accordingly, we caution against limiting the availability of FSCs based on preliminary or incomplete benefit-cost analysis results.

C. The Commission Should Clarify that the Utilities Shall Offer Single-Value FSCs

Currently the Proposed Decision directs the utilities to “ensure that LLPs provide a minimum of two daily values for each season.”⁷ We recommend that the Commission clarify that the utilities must offer single-value FSCs in addition to more granular FSC structures.⁸ A single-value FSC is the simplest design to implement, and administer, and it is also the most straightforward for customers to understand and evaluate. Given that many customers are likely unfamiliar with FSCs, it is important to consider how new participants will approach their options. As the Commission seeks to scale FSC utilization, a menu of offerings ranging from simple, low-complexity options that unlock modest capacity to more advanced options that unlock greater capacity and encourage broader participation. Customers engaging with FSCs for the first time are likely to prefer clear, straightforward choices that minimize complexity and administrative burden.

A single-value FSC would help ensure broad participation by accommodating customers who prefer a predictable and transparent structure—one that allows them to clearly understand their obligations and expectations throughout the year, regardless of changing grid conditions.

⁵ PG&E 2027 General Rate Case Phase I, PG&E’s Response to EDF_001-Q018.

⁶ PD at 25.

⁷ PD at 20.

⁸ PD at 20.

Moreover, a single value can be seamlessly incorporated into the PD's six-value framework⁹ by functioning as the simplest permissible form of an LLP: utilities could (where requested by customers) assign the same value across all required seasonal and daily intervals, thereby meeting the minimum structural requirements while still offering a highly accessible option for customers who benefit from simplicity.

Providing this option alongside more advanced offerings would promote greater participation, facilitate early adoption, and support a smoother transition toward more complex FSC regimes over time. The utilities should make clear in their public communications on FSCs that single-value options are available for requesting customers. As customers gain familiarity and confidence with FSCs, they will be better equipped to evaluate and adopt higher-granularity FSC structures that unlock greater capacity and deliver additional system benefits. This tiered pathway would ensure that the six-value framework remains both compliant and flexible—capable of serving a diverse customer base while still advancing grid modernization, supporting innovation, and enabling broader utilization of FSCs across the system.

D. The Commission Should Clarify the intent of the UL 3141 “Safe Harbor”

The Commission should clarify the language it uses surrounding the term “safe harbor” as referenced in the context of UL 3141. Currently, the PD defines “safe harbor treatment” as meaning that “. . . that controlled load behind a certified or approved Power Control System is not counted against the normal or emergency capacity ratings of IOU equipment.”¹⁰ The PD further states that “[C]ustomer load installed under the control of a certified UL 3141 Power Control System (“PCS”) shall not comprise an increase in connected or metered load provided that the UL 3141 PCS setpoint does not exceed the total amount of other connected or metered loads. We find that customer equipment installed within a UL 3141 PCS does not comprise a meaningful change in the amount or character of load for existing customers provided the customer stays within the previously authorized capacity.”¹¹

The Commission should clarify how this safe harbor language applies to customers who have already interconnected some load and whose PCS may be required, under certain circumstances, to limit incremental load all the way to zero. As currently drafted, the language appears to exclude

⁹ PD at 20.

¹⁰ PD at 41.

¹¹ PD at 42.

(1) customers who do not have any load today, and/or (2) customers who seek to use a PCS to manage their load but whose LLP does not require curtailment to zero. And, an important part of this safe harbor that is not clearly included in the PD's language is protection for qualifying systems from additional testing and certification requirements by the utilities.

Without clarification, this ambiguity risks inconsistent interpretation and could unintentionally exclude customers who should otherwise qualify for safe harbor treatment. EDF recommends that the Commission make clear that any customer using a UL 3141 PCS to comply with a Flexible Service Connection Agreement is exempt from any utility-required testing and certification beyond the standard customer commissioning process. Clear guidance from the Commission on this topic would promote regulatory certainty and ensure the safe harbor is applied consistently and as intended.

E. The Utilities Should Track Timelines Until Customers Receive Interim FSC

The PD states that utilities are authorized to pause timeline tracking once an upstream capacity need is identified and notes that this issue is “a topic ripe for further exploration in this proceeding.”¹² To ensure that timeline pauses are used only when absolutely necessary, the Commission should, at a minimum, require that utilities not pause a customer's energization timeline unless no other portion of the customer's energization work can be completed prior to the required upstream upgrade. This safeguard will help prevent unnecessary delays and ensure that customers continue to make progress toward interconnection whenever feasible.

Allowing utilities to pause timeline tracking at the point an upstream constraint is identified—even when a customer proceeds with an FSC—would undermine transparency and accountability and could mask delays that materially affect customers. Continuing timeline tracking through the point at which the customer achieves an interim interconnection via an FSC would ensure consistency with the Commission's timeline tracking objectives, provide meaningful data on utility performance, and better inform future policy development as FSC implementation evolves.

¹² PD at 53.

F. The Commission Should Specify that the Utilities Must Include More Comprehensive Data on LLP Constraints in their Reporting

In Appendix B, under the list of data reporting categories, the PD currently includes “Description of LLP by season or by specified dates.” We recommend modifying this language to read: “Description of LLP by season or by specified dates, and by time of day or by time period” to ensure alignment with the minimum on-peak/off-peak variations the Commission already requires. Without this clarification, reporting could overlook critical intra-day load patterns, undermining the ability to accurately assess grid impacts and the effectiveness of Flexible Service Connections. Revising the language in this way would promote consistency across reporting requirements, enhance data transparency, and support better-informed operational and planning decisions.

G. The Commission Should Designate the High DER Proceeding as the Venue to Lead Work on Consideration of FSCs as a Non-Bridging Solution

The Commission should clearly specify the High DER Proceeding as the appropriate venue to continue work on the evaluation of static FSCs as a non-bridging, long-term solution.¹³ EDF continues to believe that enabling FSCs for all customers, including dynamic FSCs, should be a central focus for the Commission as it works to enable timely interconnection, promote more efficient grid utilization, and put downward pressure on utility rates. While the High DER proceeding appropriately focuses on dynamic FSCs, the Commission has not made clear in the PD or elsewhere the appropriate forum for the consideration of static, indefinite FSCs following the issuance of this decision.

To ensure a coherent and timely policy path, the Commission should explicitly identify the venue and process for this remaining work. Long-term, non-bridging FSCs will be essential to addressing persistent and evolving capacity constraints on the distribution system. Accordingly, we recommend that the Commission direct that the remaining FSC work, including the evaluation of static, long-term FSCs, continue within the High DER proceeding. Consolidating this work in a single proceeding will promote consistency and provide a clearer regulatory structure for the next phase of development and implementation.

¹³ PD at 30; Docket R.21-06-017, *Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future*, Administrative Law Judge’s Ruling Seeking Additional Information from Parties, Setting Forth Further Direction, and Modifying Schedule for Track 3 (Feb. 7, 2025).

III. CONCLUSION

As the Commission continues to modernize interconnection policy and address growing grid constraints, a comprehensive FSC framework will be indispensable to supporting customer choice, accelerating clean energy adoption, and ensuring that the distribution system is operated as efficiently and affordably as possible. This Decision is a key step in that effort. EDF appreciates the opportunity to submit these comments.

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Respectfully submitted,

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Appendix: Suggested modifications to the findings, conclusions, and ordering paragraphs
(suggested additions are underlined, suggested removals are struckthrough)

Findings

11. Static FSCs are a viable bridging solution for customers whose IOU cannot meet their requested timeline due to an electrical capacity constraint. The viability of FSCs for long-term use as non-bridging solutions may be evaluated as part of the High DER proceeding.
31. Providing a safe harbor for load controlled by a UL 3141 system is likely to reduce the administrative burden of providing a Standard Offer for customers managing both new and existing load, including those whose LLP does not require curtailment to zero.
36. Development of a dedicated Tariff Rule for the Standard Offer is incompatible with PG&E's and SCE's ability to implement the Standard Offer in the very near term. However, this should be explored during the next phase of this proceeding.
41. Section eight of D.24-09-020 authorizes the Large IOUs to pause the target timelines. We clarify that the Large IOUs may only pause the target timelines where no additional energization work can take place until a necessary upstream update is completed. ~~acknowledge that there may be circumstances warranting continued work but the record is underdeveloped and lacking precise criteria at this time.~~
42. Static FSC impose a negligible cost on ratepayers and do not require a case-by-case benefit-cost analysis.

Conclusions of Law

1. It is reasonable to direct PG&E, SDG&E, and SCE to implement a tariffed Standard Offer FSC as an alternate pathway within energization Step 2.
14. If an IOU already offers customers an LLP three or more seasons with two or more daily values per season, then they already comply with the minimum granularity requirement. However, IOUs shall offer a baseline, single value FSC option to ensure customers have access to a simpler, standardized profile where requested.

21. It is reasonable to direct PG&E and SCE to extend the FSCA option to all customers ~~where given that~~ there is both a customer and ratepayer benefit, even if there is a period of the year where the customer cannot be provided their full requested demand.

38. It is reasonable to provide a safe harbor for ~~both new and existing~~ load controlled by the power input limiting function of the UL 3141 standard, relying on the UL 3141 PCS certification requirements.

56. It is reasonable to clarify that, under D.24-09-020, the Large IOUs have the discretion to pause the target timelines when ~~no additional energization work can take place until a necessary upstream update is completed—the circumstances do not warrant continued downstream project work.~~

57. It is reasonable to require that any customer using a UL 3141 PCS to comply with a Flexible Service Connection Agreement shall be exempt from any utility-required testing and certification beyond the standard customer commissioning process.

Ordering Paragraphs

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall file a joint Tier 2 Advice Letter establishing a Standard Offering Flexible Service Connection Tariff according to the direction provided in this decision within 30 days of the issuance of this decision.¹⁴

¹⁴ If the Commission adopts EDF's recommendation to include SDG&E in this Decision, similar edits will be required throughout the Findings of Fact, Conclusions of Law, and Ordering Paragraphs.