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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

ASSIGNED COMMISSIONER’S SCOPING MEMO AND RULING

This amended scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission’s Rules of Practice and Procedure (Rules).

1. Procedural Background

On August 20, 2025, the Commission issued the Order Instituting Rulemaking (OIR) for this proceeding to consider refinements to the interconnection of distributed energy resources (DER) under Electric Tariff Rule 21 (Rule 21) of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, and the equivalent tariff rules of the small and multi-jurisdictional electric utilities. The OIR contained a preliminary scoping memo and allowed parties to provide opening comments on the OIR and the preliminary scoping memo within 60 days of the OIR’s issuance and to provide reply comments within 20 days of opening comments.

On October 20, 2025, Opening Comments were filed by Advanced Energy United, Ava Community Energy, California Community Choice Association, California Energy Storage Alliance, California Solar & Storage Association, Clean Coalition, Coalition for Community Solar Access, Critical Loop, Distributed

Wind Energy Association, Essex Property Trust, Ford Motor Company, Foundation Windpower, Green Power Institute, Interstate Renewable Energy Council, Mainspring Energy, Pacific Gas and Electric Company, PearlX, Public Advocates Office, Small and Multi-Jurisdictional Utilities (Bear Valley Electric Service, Liberty Utilities, and PacifiCorp jointly), Solar Energy Industries Association, Southern California Edison Company, Tesla, The Mobility House, and Vehicle-Grid Integration Council.

On November 6, 2025, Reply Comments were filed by Electrify America. On November 10, 2025, Reply Comments were filed by California Community Choice Association, California Solar & Storage Association, Interstate Renewable Energy Council, Pacific Gas and Electric Company, PearlX, Public Advocates Office, San Diego Gas & Electric Company, Solar Energy Industries Association, Southern California Edison Company, Tesla, The Mobility House, Vehicle-Grid Integration Council, and Vote Solar.

On January 6, 2026, the assigned Administrative Law Judge issued an email ruling scheduling a Prehearing Conference (PHC) for January 16, 2026. On that date, a Prehearing Conference was held to address issues of law and fact, determine the need for hearing, discuss the schedule for resolving the matter, and address other matters as necessary.

After considering party comments and reply comments and the discussion at the prehearing conference, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

2. Issues Added to Scope

The OIR that initiated this proceeding presented a preliminary scoping memo that separated the issues into eight categories.¹ After reviewing party comments on the OIR and consideration of the issues, the Assigned Commissioner has decided to address this proceeding in multiple phases. Phase 1 will address issues related to Screens Q and R, interconnection timelines, and the interconnection process and fees for resources that are not interconnecting under the Net Billing Tariff (NBT) or Net Energy Metering (NEM) Tariff. The following section in this ruling contains a non-exhaustive list of issues that the Assigned Commissioner may choose to address in subsequent phases of this proceeding.

This proceeding will focus initially on modifications to Screens Q and R and interconnection timelines. Parties may file and serve opening comments on the questions listed in Appendix A by March 11, 2026, and may file reply comments on March 18, 2026. The schedule is discussed in more detail in a later section of this ruling.

The issues to be determined or otherwise considered in Phase 1 of this proceeding are:

1. Whether the Commission should modify Screens Q and R.
2. Whether the Commission should modify interconnection timeline rules and compliance requirements established for the Investor-Owned Utilities in D.20-09-035.

¹ The eight categories were: Electrical Independence Tests; Interconnection Processes; Interconnection Pathways and Standards; Cost Sharing of Upgrade Costs and Responsibility for Upgrade Costs Due to Load Reduction; Tariff Implementation Costs; Net Energy Metering and Net Billing Tariff Updates to Rule 21; Communications and Interoperability of Distributed Energy Resources; and, Utilities' Wholesale Distribution Access Tariff Processes and Relationship to Rule 21.

3. Whether the Commission should revise the interconnection fee for non-NBT and non-NEM resources.

3. Issues that May be Addressed in Later Phases

This section provides a non-exhaustive list of issues that the Assigned Commissioner may choose to address in subsequent phases of this proceeding. The Assigned Commissioner intends to solicit party input before updating the scope. The issues below have been sorted into the original eight issue categories presented in the OIR.

1. Electrical Independence Tests

- a. *All topics in this category are scoped into Phase 1.*

2. Interconnection Processes.

- a. Whether the Commission should revise the existing process for interconnection dispute resolution.
- b. Whether the Commission should take additional steps so that the Investor-Owned Utilities (IOUs) use Integration Capacity Analysis (ICA) Values in Rule 21 Technical Evaluation Screens.

3. Interconnection Pathways and Standards

- a. Whether the Commission should update Rule 21 to reflect certain industry standards.
- b. Whether the Commission should clarify the resource configurations eligible for interconnection pursuant to Rule 21.
- c. Whether the Commission should take action to ensure resources that interconnect via Rule 21 adhere to the specific type of interconnection established in the interconnection agreement (i.e. export, non-export, limited export, Limited Generation Profile (LGP), etc.).
- d. Whether the Commission should clarify Type Testing Requirements and procedures under Section L of Rule 21.

- e. Whether the Commission should update Rule 21 requirements regarding the use of Power Control Systems.
 - f. Whether the Commission should update Rule 21 requirements for Smart Inverter Volt-Watt and Volt-VAR non-default settings.
 - g. Whether the Commission should address the interconnection process and requirements for plug-in solar.²
 - h. Whether the Commission should update Rule 21 to align with the Electric Power Research Institute (EPRI) common file format for the exchange and storage of configuration settings for distributed energy resources.
 - i. Whether the Commission should consider further updates to Rule 21 to enable additional smart inverter non-default functionalities.
 - j. Whether the Commission should re-evaluate the interconnection process for qualifying non-NEM, non-export resources.
4. **Cost Sharing of Upgrade Costs and Responsibility for Upgrade Costs Due to Load Reduction**
- a. Whether the Commission should establish a cluster process for multiple customers to share grid upgrade costs.
5. **Tariff Implementation Costs**
- a. *All topics in this category are scoped into Phase 1.*
6. **Net Energy Metering- and Net Billing Tariff-Related Updates to Rule 21.**

² Plug-in solar, also called balcony solar or portable solar, refers to a solar power system that is usually not permanently mounted to a customer roof or ground, and plugs into a normal customer power outlet rather than being permanently wired as with normal interconnections.

- a. Whether the Commission should update Rule 21 requirements for non-export, non-NEM additions to existing NEM systems.
- b. Whether the Commission should update Rule 21's definition of "system size" for NEM projects to be consistent with the definition used by NBT projects.

7. Communications and Interoperability of DERs

- a. Whether the Commission should make near-term changes to Rule 21 communications requirements to address existing and emerging needs (e.g., Vehicle-to-Grid, coordination with dynamic rate signals).
- b. Whether the Commission should improve bidirectional interoperability between relevant grid equipment, management systems, and interconnecting resources and explore opportunities to lower the costs of achieving interoperability.

8. Utilities' Wholesale Distribution Access Tariff (WDAT) Processes and Relationship to Rule 21.

- a. Whether the Commission should take action to improve the interactions and alignment between Rule 21 and WDAT.
- b. Whether the Commission should adjust the charging parameters for batteries interconnected pursuant to the WDAT.

9. Other Topics Proposed in Party Comments Not In OIR Topic Categories

- a. Whether the Commission should revise to Rule 21 Screen G to avoid unnecessary studies and/or grid upgrades.
- b. Whether the Commission should modify Rule 21 Screen H to Reduce Costs of Grounding Inverter-Based Systems in Certain Circumstances.
- c. Whether the Commission should modify gas service clearance requirements for installation of Master Service Agreements and Distributed Energy Resources (DERs).

- d. Whether the Commission should establish new expedited (i.e., fast-track) screening criteria within Rule 21 for transmission-connected Rule 21 projects.
- e. Whether the Commission should allow utilities to provide interconnection consulting services to assist Rule 21 applicants.
- f. Whether the Commission should establish guidelines, requirements, and/or cross-references to other standards or Commission tariffs for ensuring cybersecurity of certain resources connected under Rule 21.

4. Proceeding Coordination

The Assigned Commissioner may add issues, as necessary, to coordinate with efforts and/or other proceedings including, but not limited to, High DER (R.21-06-017), Demand Flexibility (R.22-07-005), Demand Response (25-09-004), DER Cost Effectiveness and Data Access (R. 22-11-013), and Transportation Electrification (R. 23-12-008).

5. Need for Evidentiary Hearing

There are no issues of material disputed fact. Accordingly, no evidentiary hearing is needed.

6. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the rulemaking. As described above, this proceeding is divided into two phases: Phase 1 is made up of the questions listed in Appendix A, while Phase 2 has yet to be scoped. The Assigned Commissioner will develop the scope of Phase 2 through consideration of party comments on the OIR and further party input through forums such as a workshop described below. The Assigned Commissioner may also choose to add additional phases as needed.

Event	Date
Opening Comments on Appendix A	March 11, 2026
Reply Comments on Appendix A	March 18, 2026
Workshop, led by Energy Division staff, to discuss priority of remaining issues	As needed
Proposed Decision(s)	As record permits

The proceeding will not stand submitted until the ALJ determines whether there is need for further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

7. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.³

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

³ See D.07-05-062, Appendix A, § IV.O.

8. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission’s preliminary determination⁴ that this is a quasi-legislative proceeding. Accordingly, ex parte communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

9. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission’s daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission’s External Affairs Division with local governments and other interested parties.

10. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by February 18, 2024, 30 days after the prehearing conference.

11. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

⁴ OIR at 11.

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

13. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.⁵

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

When serving documents on Commissioners, their personal advisors, or the Administrative Law Judge, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of

⁵ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

14. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

15. Assignment of Proceeding

Alice Reynolds is the assigned Commissioner and Presiding Officer for the proceeding. Andrew Dugowson is the assigned ALJ.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule set forth above is adopted.

Appendix A

A. Modifications to Screens Q and R.

1. Should the Commission modify Screens Q and R? Include in your response answers to the following questions:
 - i. What aspects of Screen Q and/or Screen R require modification? Why?
 - ii. What data demonstrate whether current Screens Q and R are functioning as intended and/or whether improvements could yield more accurate and efficient results?
 - iii. How should cost responsibility be assigned to avoid shifting costs onto ratepayers?
 - iv. What type of projects are Screen Q failures primarily occurring for (e.g., market deliverable, non-deliverable, energy only)?
 - v. What value do projects that pass Screen Q provide to ratepayers?
 - vi. When projects fail screen Q, what impact does that have on ratepayers, if any? Can those ratepayer impacts be quantified?
 - vii. What changes, if any, do you propose the Commission adopt? Why?
 - viii. Did any party/parties support your proposals in their comments on the instant OIR?
 - ix. Should your proposed changes be staged, or do you recommend they be implemented concurrently?
 - x. What type of resources would your proposed changes impact (e.g., project size, compensation mechanisms and locations, market deliverable, non-deliverable, energy only)? What volume and proportion of overall resources in the Rule 21 queue would be impacted?
 - xi. How would your proposed changes impact the safety and reliability of the grid?

- xii. What data support this change, and how should the Commission evaluate cost-causation to confirm that any resulting upgrade(s) or study costs are fairly allocated?
 - xiii. Would your proposed changes increase or decrease costs, either for individuals stakeholders or ratepayers more broadly? Who would bear those costs?
2. Under the existing framework, applications that fail Screens Q or R are sent to cluster studies.
- i. Is there any subset of applications that could be sent to a less time-intensive but equally rigorous review process? If so, what would this alternative screen be and to which applications would it apply? What type of applications and resources would these be?
 - ii. Is there any subset of applications that, even though if they fail Screen Q or R, could be interconnected under the condition that the resources pay for their share of the upgrade costs later identified by a cluster study? If so, describe these applications and/or resources.
 - iii. Are there reliable approaches to mitigating reverse-flow conditions that the utility could impose on the applicant in lieu of going directly to a cluster study? How should the costs associated with the approach be allocated?
 - iv. What type of resources would your proposed changes impact (e.g., project size, compensation mechanisms and locations)? What volume and proportion of overall resources in the Rule 21 queue would be impacted?
 - v. How would your proposed changes impact the safety and reliability of the grid?
 - vi. Would your proposed changes increase or decrease costs, either for individual stakeholders or ratepayers more broadly? Who would bear those costs?

B. Interconnection Timelines Established for IOUs

1. Should the Commission take measures to modify the interconnection rules and requirements established for

IOUs' in D.20-09-035?⁶ If so, what measures do you recommend? Include in your response answers to the following questions:

- i. Are the timelines in D.20-09-035 reasonable? What data or information are available to support whether they are or are not reasonable?
- ii. Should the Commission modify the benchmarks, timelines, metrics and reports established by D.20-09-035, Ordering Paragraph (OP) 22? If yes, describe why the modifications are reasonable and how they protect ratepayers and support California's climate goals.
- iii. Should the Commission update the list of projects eligible for the timelines? What type of projects and/or resources (e.g., projects with deliverability and power purchase agreements with load serving entities) should be eligible for the timelines?
- iv. Should the Commission consider the proposals in party comments to add additional timelines? If so, what data should the utilities use to determine the timelines? What type of projects would require this work?
- v. Should the Commission re-consider how the 95% compliance benchmark set by D.20-09-035, OP 28 is evaluated? Are there alternative compliance benchmarks or mechanisms the Commission should consider to supplement and/or replace the 95% compliance benchmark?
- vi. How could the overall timelines compliance and reporting process be simplified and improved?
- vii. Should the Commission adopt any of the proposals presented by parties for timeline compliance mechanisms? If so, provide a detailed description of

⁶ D.20-09-035 established standard timelines for interconnection (e.g., 60 business days for design and another 60 business days for construction of interconnection-related distribution upgrades), established a benchmark of 95% compliance for each of 19 individual timelines within the interconnection process, and set forth timeline compliance reporting requirements for the IOUs. (D.20-09-035 at 82-98).

how the proposal should be implemented. What are the drawbacks and merits of the proposals provided?

C. Interconnection Fee for Non-NEM Resources

1. Utilities currently charge all non-NEM resources a flat interconnection fee of \$800, regardless of the size or type of resource. The IOUs also, under certain circumstances, conduct and charge the applicant a fee for a Supplemental Review.
2. The IOUs shall, and other parties may, address the following question: What are the costs associated with interconnecting non-NEM resources? Does the current \$800 interconnection fee cover these costs? If the costs vary based on certain characteristics (e.g., generating technology or project size), separate your responses into the appropriate buckets. If the data are not available, what steps are necessary to collect this data?
3. Should the Commission order utilities to update the interconnection fees?
 - i. If so, how should the Commission order to calculate the new fee schedules, and what data are necessary to calculate those fees?
 - ii. Should the Commission order utilities to charge fees that more closely represents the actual cost of a given application?