



ALJ/ADW/jds 7/14/2026

FILED

07/14/26

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

11:15 AM

R2508004

Order Instituting Rulemaking to
Update Distribution Level
Interconnection Rules and
Regulations.

Rulemaking 25-08-004

**ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING UTILITIES TO
PRODUCE RULE 21 INTERCONNECTION APPLICATION DATA**

On March 3, 2026, the Assigned Commissioner issued their Assigned Commissioner's Scoping Memo and Ruling, which set forth a series of questions on which parties could provide comments by March 11, 2026, and reply comments by March 18, 2026. On March 6, 2026, the Assigned Administrative Law Judge extended the deadline for opening comments to April 30, 2026, and the deadline for reply comments to May 29, 2026.

The Commission has identified certain information that may be held by the investor-owned utilities (IOUs) that would aid the Commission in its evaluation of party comments. Accordingly, PG&E, SCE, and SDG&E (the IOUs) shall by file and serve responses to the prompts questions below within two weeks of the issuance of this ruling. The IOUs shall, to the extent possible, provide their responses in a consistent format using the table below as a guide. Any party may file and serve reply comments within one week of the due date for the IOUs' responses.

Questions may be directed to the Commission's Energy Division by emailing Caitlin Pollock at caitlin.pollock@cpuc.ca.gov; this ruling delegates to Energy Division the authority to amend this data request as necessary.

1. Background

The IOUs currently charge a flat \$800 interconnection application fee regardless of the associated project's size or complexity. The \$800 fee may be greater than the IOUs' costs to process simple applications; for complex projects, the \$800 fee may not cover all of the costs the IOUs incur. Relatedly, the total fees collected by the IOUs may not match the total costs the IOUs incur to process all the interconnection applications. To optimize cost recovery and market equity, the flat \$800 non-NEM application fee is under consideration in Phase 1 of the proceeding. The Commission is considering ways to adjust the fee structure so that applicants pay a fee that more closely approximates the utilities' costs to process those applications (i.e., a fee structure based on cost causation). After a review of the proceeding record, the Commission is seeking additional information to understand the factors that affect the time and cost needed to process applications (e.g., project size or complexity).

2. Prompts and Order

1. The first purpose of these questions is to understand how well the \$800 interconnection application fee represents an IOU's actual costs to process an interconnection application for a project that pays the fee (i.e., if it is not in the family of tariffs that includes Net Billing Tariff, Net Energy Metering, Virtual Net Energy Metering, etc). This ruling uses, "non-NBT/NEM" as a catch-all for that group of applicants. Secondly, these questions will help inform the feasibility of setting interconnection fees that scale with the complexity or size of the project.
 - a. What is the breakdown of staff hours (administrative and/or distribution engineering) currently required to process an application for a non-NBT/NEM project? If you don't have exact data, provide your best estimate based on experience.

- b. What is the implied cost of the staff hours estimated above? Explain how you reached this estimate (e.g., fully-loaded hourly costs multiplied by staff hours).
 - i. Based on that total implied cost, how much does your company under- or over-collect per application?
 - ii. Based on the number of applications for non-NBT/NEM that your company processed last year, how much did your company under- or over-collect in interconnection processing fees last year?
 - c. Does your company currently have processes in place to track the time staff spend reviewing projects? What level of granularity does the process capture (e.g., do you track the time that individual staff spend on individual process)?
 - d. What aspects of the review process are currently automated? Are there aspects your company intends to automate?
2. The purpose of these questions is to evaluate how the interconnection fee could scale with engineering complexity and project size. Explain your response the questions below in detail with examples. If the answer relies on any existing reports, then please provide references and data extractions from those reports.
- a. What percentage of past non-NBT/NEM applications passed initial technical screens without requiring supplemental or detailed engineering impact studies?
 - b. What specific, quantifiable criteria (for example, aggregate generation exceeding load) trigger a project to move from a basic review to a detailed study?
 - c. Have you tracked how many reviews a typical project undergoes due to an applicant modifying the project information before final interconnection approval is granted? If yes, then provide the information. If not,

then explain why such a tracking mechanism is not in place.

3. The purpose of these questions is to evaluate how the interconnection fee could scale by size and technology type, please provide answers to the following questions:
 - a. Are there approximate capacity threshold(s) at which there is a significant increase in the complexity and time required to review the application (e.g., to conduct voltage and thermal modeling)?
 - b. Do you review applications for non-exporting systems and limited-exporting systems differently? Do they take different amounts of time?
 - c. Do you review applications for standalone solar versus co-located solar and storage differently? Do they take different amounts of staff time?
4. To consider the fee structure by Residential vs. Non-Residential customer segments:
 - a. What percentage of non-NBT/NEM applications received over the last 24 months were for residential projects vs. non-residential projects?
 - b. Are any steps of the application process for residential non-NBT/NEM pathway automated, and if so, what would the remaining administrative cost per application be?
 - c. What is the average duration (in business days) from application submission to Permission to Operate (PTO) for a residential versus non-residential project that is non-NBT/NEM?
5. To consider complexity and local grid factors in setting the fee structure:
 - a. How straightforward and convenient is it for applicants, developers, contractors to rely on circuit map information (or any other data that customers and utilities rely on) where any

non-NBT/NEM interconnection automatically requires a complex review?

- b. The IOU tariffs lists \$150/ hr as an engineer's fee on its Rule 21 tariff. Using that as an example, what is the standard hourly rate (including overheads) charged for utility engineering staff when executing custom or actual-cost interconnection studies?
6. Provide data as requested in the attached template:
- a. Complete the template in Appendix A for the years 2024 and 2025 (combined). If actual cost accounting or processing time data are not available, provide your best estimates based on utility staff's experience processing projects (e.g., by estimating the staff hours required for a given type of project).
 - b. Explain how you developed estimates of the actual costs and staff hours to process Rule 21 applications (i.e., the methodology used to estimate the numbers put into the table in Appendix A). Provide a narrative supplement explaining your methodology. If available, provide the underlying data used to calculate those estimates, describe how the data were obtained, and any limitations or uncertainty associated with that data.
 - c. Identify any factors that cause or correlate with higher processing costs (e.g., a specific generating technology type, projects above a certain size threshold, specific equipment such as a Power Control System). Explain why these factors cause higher costs.

IT IS SO RULED.

Dated July 14, 2026, at San Francisco, California.

/s/ ANDREW DUGOWSON

Andrew Dugowson
Administrative Law Judge

Appendix A: Data Template

Project Size	Technology	Tariff	Export Status	Number of Applications Received	Number of Applications Withdrawn	Number of Applications Not Withdrawn, Still Pending	Staff Hours to Review Applications	Actual Cost to Review Applications	Aggregate Capacity of Applications (MW)
Less than 30 kW	Solar	Neither NEM nor NBT	Export						
			Non-export						
		NEM					<i>n/a</i>	<i>n/a</i>	
		NBT					<i>n/a</i>	<i>n/a</i>	
		VNEM					<i>n/a</i>	<i>n/a</i>	
		Other					<i>n/a</i>	<i>n/a</i>	
	Battery	Neither NEM nor NBT	Export						
			Non-export						
		NEM					<i>n/a</i>	<i>n/a</i>	
		NBT					<i>n/a</i>	<i>n/a</i>	
		VNEM					<i>n/a</i>	<i>n/a</i>	
		Other					<i>n/a</i>	<i>n/a</i>	
			Export						

	Co-located Solar + Battery	Neither NEM nor NBT	Non- export						
		NEM					<i>n/a</i>	<i>n/a</i>	
		NBT					<i>n/a</i>	<i>n/a</i>	
		VNEM					<i>n/a</i>	<i>n/a</i>	
		Other					<i>n/a</i>	<i>n/a</i>	
	Back-up systems	Neither NEM nor NBT	Export						
			Non- export						
		NEM					<i>n/a</i>	<i>n/a</i>	
		NBT					<i>n/a</i>	<i>n/a</i>	
		VNEM					<i>n/a</i>	<i>n/a</i>	
		Other					<i>n/a</i>	<i>n/a</i>	
	<i>Other technologies as appropriate</i>	Neither NEM nor NBT	Export						
			Non- export						
		NEM					<i>n/a</i>	<i>n/a</i>	
		NBT					<i>n/a</i>	<i>n/a</i>	
		VNEM					<i>n/a</i>	<i>n/a</i>	

		Other					<i>n/a</i>	<i>n/a</i>	
30 kW (inclusive) to 500 kW	<i>Replicate the divisions above</i>	<i>Replicate the divisions above</i>							
500 kW to 1 MW	<i>Replicate the divisions above</i>	<i>Replicate the divisions above</i>							
1 MW to 5 MW	<i>Replicate the divisions above</i>	<i>Replicate the divisions above</i>							
5 MW and larger	<i>Replicate the divisions above divisions above</i>	<i>Replicate the divisions above</i>							

(END OF APPENDIX A)