BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulation	Rulemaking 25-08-004 (Filed August 28, 2026)

REPLY COMMENTS OF ELECTRIFY AMERICA ON UTILITY RESPONSES TO RULING SEEKING INTERCONNECTION APPLICATION REVIEW COST DATA

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Electrify America, LLC ("Electrify America") respectfully submits these reply comments on the Order Instituting Rulemaking ("OIR") to update distribution level interconnection rules and regulations for distributed energy resources ("DERs"), commonly referred to as Electric Tariff Rule 21 ("Rule 21"). These reply comments are in response to the *Administrative Law Judge's Ruling Directing Utilities To Produce Rule 21 Interconnection Application Data* filed on July 14, 2026 and responses submitted by the Joint IOUs, Pacific Gas and Electric Company ("PG&E"), Southern California Edison Company ("SCE"), and San Diego Gas & Electric Company ("SDG&E"), collectively known as "Utilities" on August 11, 2026.

I. INTRODUCTION

Electrify America recognizes that the Utilities are not tracking interconnection application milestones and appreciates the Utilities assembling the requested information.[1] However, Electrify America cannot support any recommendation that seeks to increase the application fees from it's current level of $800. Regarding non-export interconnection applications, SCE estimates a standard non-export application at approximately 9.25 staff hours against 14.00 hours for a standard export application.[2] It is a reasonable assumption that a standard non-export application takes less effort than a standard export application.

If the Commission nonetheless moves toward cost-based fees, Electrify America asks that any such move be conditioned on two requirements. First, each utility must track and report interconnection processing milestones at the project level, including application receipt, deficiency issuance and cure, initial application review completion, Interconnection Agreement execution, and Permission to Operate notice. Second, cost recovery must be symmetrical. A utility that meets defined milestones earns its cost-based fee, and a utility that misses them owes the applicant a corresponding credit or penalty. This prevents a one-sided regime in which applicants fund the utilities' costs while absorbing the utilities' delays.

II. ALIGNING FEES WITH NON-EXPORT APPLICATIONS

SCE, SDG&E, and PG&E all requested additional time to respond to the data request.[3] SCE, SDG&E, and PG&E then returned estimates that either state they over recovered or under recovered despite limited project milestone tracking data captured to support the estimated level of effort for application processing. Their responses are captured in Table 1 below. Answering identical questions about the same $800 fee, Pacific Gas and Electric Company reports a 2025 surplus of roughly $99,000 and shortfall of about $326,000 in 2024, Southern California Edison Company reports a shortfall near $93,000, and San Diego Gas & Electric Company reports a shortfall of roughly $1.1 million annually. The gap is extremely wide between the three utilities

[1]Southern California Edison Company (U 338-E) Responses to Questions on Assigned Commissioner's Ruling on Interconnection Fees, at 8 (Response to Question 1.c); Pacific Gas and Electric Company's (U 39 E) Response to Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Application Data, at 3 (Response to Question 1.c); Response of San Diego Gas & Electric Company (U 902-E) to Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Interconnection Application Data, at 9 (Response to Question 1.c)

[2]Southern California Edison Company (U 338-E) Responses to Questions on Assigned Commissioner's Ruling on Interconnection Fees, at 2

[3]Email Ruling Granting Investor-Owned Utilities' Request for Deadline Extension, R.25-08-004 (July 24, 2026)

and one can draw a simple conclusion that interconnection application processing does not appear to be a standard repeatable process between the utilities. Electrify America recommends that the commission directs the utilities to conduct a cost-study based on real interconnection application activities.

Table 1. Reported Interconnection Fee Data from Joint IOUs[4]

Utility	Category Reported	Estimated Staff Hours per Application	Estimated Cost per Application	Blended Hourly Rate	Variance from $800 Application Fee
Southern California Edison	Standard Export	14.00	$1,247	$89.00	$ (447.00)
Southern California Edison	Standard Non-Export	9.25	$835	$90.00	$ (35.00)
Pacific Gas and Electric	All non-NEM/NBT (2024)	10.42	$1,075	$103.00	$ (275.00)
Pacific Gas and Electric	All non-NEM/NBT (2025)	6.48	$740	$114.00	$ 60.00
San Diego Gas & Electric Company	All non-NEM/NBT (2024-2025)	~13	$1,490 to $6,357	$145.00	-$690 to -$5,557

Because non-export applications generally cost less to process, cost alignment has implications for both directions of any fee adjustment. The utilities support recovering more of their costs for complex, exporting projects, and Electrify America does not dispute that goal. The same reasoning, applied evenly, indicates that fees for lower-effort non-export projects should be lower as well. A

[4] Southern California Edison Company (U 338-E) Responses to Questions on Assigned Commissioner's Ruling on Interconnection Fees, at 2, 5, 7; Pacific Gas and Electric Company's (U 39 E) Response to Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Application Data, at 2-3; Response of San Diego Gas & Electric Company (U 902-E) to Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Interconnection Application Data, at 6-8

fee structure that increases with complexity but does not decrease with reduced complexity would recover more from non-export applicants than the associated cost of review. Electrify America advises against raising fees for non-export applicants as the Utilities should continue to be incentivized to automate Rule 21 screens, reduce customer involvement in intra-department processing, and be more efficient in focusing on projects that truly have grid impacts rather than on application technicalities.

III. CONCLUSION

Electrify America respectfully requests that the Commission (1) decline to adopt any fee structure that increases costs for non-export applicants, and (2) establish a reduced non-export application fee tier that reflects the lower level of effort the utilities have themselves documented in this record. The utilities' responses provide a helpful record on the relative effort involved in processing different types of interconnection applications. Electrify America appreciates the opportunity to comment and looks forward to continued engagement in this proceeding.

Respectfully submitted,

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