

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



FILED

08/28/26

04:59 PM

R2508004

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

Rulemaking 25-08-004

**REPLY COMMENTS OF THE CALIFORNIA SOLAR & STORAGE ASSOCIATION
ON THE UTILITIES' RESPONSES TO THE RULING REQUESTING DATA ON THE
COSTS OF PROCESSING NON-NEM/NBT INTERCONNECTION APPLICATIONS**

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August 28, 2026

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The California Solar & Storage Association (CALSSA) hereby submits reply comments on the utilities' responses to the *Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Interconnection Application Data* (Ruling), issued at the California Public Utilities Commission (Commission) on July 14, 2026. On July 24, 2026, the Commission issued *Email Ruling Granting Investor-Owned Utilities' Request for Deadline Extension*, extending the period for the IOUs to provide data until August 11, 2026, and the period for parties to submit reply comments on the IOUs' data until August 28, 2026.

CALSSA is a statewide trade association that represents more than 550 businesses building behind-the-meter and distributed solar and storage in California. CALSSA led the informal stakeholder collaboration that culminated in the launch of non-export additions in early 2024, and the two designs accepted by the IOUs were designed by CALSSA. CALSSA's members routinely submit applications for standalone non-export systems and exporting Rule 21 systems that do not participate in net metering.

I. Summary and Recommendations

Stakeholders have consistently argued that the non-NEM application fee should be set to match the expected cost of a reasonably run process, not to match the current costs that the IOUs incur under the status quo.¹ Increased automation, improved communication practices, and basic process changes would streamline the non-NEM application review process significantly. Setting

¹ Tesla opening comments on the Scoping Memo, p. 14. VGIC opening comments on the Scoping Memo, p. 9. SEIA opening comments on the Scoping Memo, p. 61, 65.

the fee to match the costs of yesterday would reduce the pressure on the IOUs to streamline the non-NEM process, permanently saddling non-NEM customers with artificially high fees and unnecessary delays.

Ultimately, customer adoption of non-NEM systems is good for the state. Most of these systems add clean energy and batteries to the grid, reducing consumption during peak hours. This contributes to the load flexibility that is needed to unlock upwards of \$13 billion in ratepayer savings over the next five years.² These same non-NEM systems also allow consumers to buy EVs and heat pumps without seeing their electricity bills increase too prohibitively, making electrification economical. The Commission must balance between the long-term ratepayer savings promised by electrification and load flexibility and recovering the short-term costs of today.

If the Commission wishes to use the IOUs' current costs as the foundation for updating the fee, the IOUs' responses to the Ruling are too broad and ungrounded for reasonable action. The IOUs do not provide hard data and instead provide broad estimates based on speculation. Their estimates do not adequately differentiate based on project types, sizes, or complexity and assume that review steps apply across the board when they should not. For instance, SCE's breakdown of the step-by-step process assumes about 9.25 hours total for non-export projects. However, after removing the work listed by SCE that is unrelated to smaller projects, CALSSA estimates that SCE staff spend 1.59 hours total for non-export projects less than or equal to 30 kW.³ Similarly, SCE estimates 14 hours total for exporting projects, and after removing the work listed by SCE that is unrelated to small exporting projects, CALSSA estimates that SCE staff spend 4 hours total for exporting projects less than or equal to 30 kW.⁴

Project complexity primarily varies across two axes: project size and whether the project exports. This creates eight types of projects as explained in Table 1.

² Gridlab and Kevala, "California Load Management Standard Avoided Distribution Grid Upgrade Study," August 2025.

³ See CALSSA's analysis in Section III of these comments.

⁴ See Appendix.

Table 1: Eight Project Types Roughly Capturing Complexity

	Non-Export	Export
Less than or equal to 30 kW	“Small Non-Export”: - residential customers installing solar and storage to support increased load from electrification - residential customers avoiding grid upgrades and associated slow studies	“Small Export”: - home batteries installed to provide grid services and/or load shifting - EVs participating in V2G
30 kW – 200 kW	“Medium Non-Export”: - commercial solar customers avoiding grid upgrades and associated slow studies	“Medium Export”: - commercial batteries installed to provide grid services and/or load shifting - front-of-the-meter solar and/or storage resources that provide grid services and/or load shifting
200 kW – 1 MW	“Medium Large Non-Export”: - Same use case as above	“Medium Large Export”: - Same use cases as above
Greater than 1 MW	“Large Non-Export”: - Same use case as above	“Large Export”: - Same use cases as above

Non-NEM customers are currently subjected to inefficient and wasteful utility review processes, ranging from a lack of instructions to mandatory paper applications that duplicate the online application. The Commission should set a fee that strikes a balance between the early costs of today and the expected costs of tomorrow by choosing an appropriate midpoint. The Commission should identify where wasteful inefficiencies exist in the IOUs’ non-NEM review processes, what process improvements would rectify this waste, and then update the fee based on

utility review processes that incorporate those process improvements. To accomplish this, the Commission should adopt the following three recommendations:

1. Issue a follow-up data request that requires the IOUs to provide a separate staff hours estimate for each of the eight project types identified in Table 1. PG&E and SDG&E should structure their staff hours justification to align with the approach used by SCE in response to Question 1a of the Ruling. Also, for each of the five processing stages identified by SCE (Application Review, Fast Track Initial Review, Fast Track Initial Review Cost Estimate Report, Post Fast Track Initial Review Activities, and Site Visit Activities), the IOUs should identify the individual tasks, including what the individual task involves, which internal team is involved, the extent to which the task is automated, and a time estimate for the individual task. Additionally, the IOUs should identify where individual tasks differ between the non-NEM and NEM review processes.
2. Hold a workshop after the IOUs have answered the follow-up data request and stakeholders have had an opportunity for comment on the IOUs' answers. The purpose of this workshop is to provide an opportunity for stakeholders to exchange ideas and clear up miscommunications in a real-time, back-and-forth setting. The IOUs' processes are currently opaque and unstandardized, making an opportunity for such exchanges important. This workshop should include at least one panel featuring perspectives from the DER industry.
3. Issue a Proposed Decision immediately adopting high-impact process improvements that would reduce costs. Based on stakeholder input, the Commission should decide on the staff hours savings that would be generated by these improvements, and adjust the fee update accordingly. Any Commission process that updates the fees should naturally unveil such improvements. There is no reason to delay them, especially since fee updates would likely reduce the pressure on the IOUs to improve processes. These should include, at a minimum:
 - a. Require the IOUs to accept online applications. The IOUs should not be allowed to require a paper application or require both a paper application and an online application.
 - b. Detailed application guides that are public facing in a location that is easy to find for contractors and customers. These guides should explain how to fill out the

application, with screenshots of how to answer each question and explanations of technical terms like protection options.

- c. 10 business day advance notice of changes to the application process, like required documentation and questions in the online application. By making changes to how to apply without giving notice, the IOUs are causing unnecessary deficiencies and staff review time.
- d. Other high-impact improvements may be identified during the workshop in Recommendation #2 or via stakeholder comment opportunities.

II. A Step-by-Step Breakdown Is Needed for Each Project Type

a. In the absence of hard data for each project type, estimates of staff hours by project type are needed

The IOUs failed to provide hard data on the costs associated with the review activities covered by the non-NEM application fee. All three IOUs state that they do not track the staff time and costs spent on each non-NEM project.⁵ In the place of hard data, the IOUs attempt to answer Question 6 in the Ruling in varying ways, all of which should be rejected.

PG&E answers Question 6 in the Ruling by assuming that each Rule 21 project takes the same number of staff hours to review, regardless of project size, export capability, or NEM participation.⁶ SCE uses its estimate of staff hours in response to Question 1, but assumes that non-export projects cost the same regardless of size, and makes the identical assumption for exporting projects.⁷ SDG&E's cost estimates are based on its estimates of staff hours from Question 1, but it only produces a singular estimate of 13 staff hours per non-NEM application.⁸ SDG&E fails to provide or justify staff hour estimates based on project type, leaving SDG&E's varying cost estimates by project type for Question 6 unexplained. For instance, SDG&E estimates that non-export solar and storage projects less than 30 kW cost \$991 per application,

⁵ PG&E response to the Ruling, pp. 10-11. SCE response to the Ruling, p. 1. SDG&E response to the Ruling, p. 21.

⁶ PG&E response to the Ruling, pp. 10-11. For any given project category, PG&E estimates staff hours based on the proportion of all Rule 21 projects that are in the project category. For example, PG&E staff received 158,765 Rule 21 applications and 153,882 of those were Rule 21 projects less than 30 kW, meaning that this category represented 97% of all Rule 21 applications. PG&E then assigns 97% of the total staff hours spent on Rule 21 projects (224,249 hours) to this category, resulting in $0.97 * 224,249 = 217,352$ staff hours. This approach assumes that the same amount of staff time is spent on each project, since the sole determinant of staff hours is the number of projects. This is false.

⁷ SCE response to the Ruling, p. 17.

⁸ SDG&E response to the Ruling, p. 2.

while non-export solar-only projects less than 30 kW cost \$1,116 per application, which confusingly implies that adding a battery makes applications cheaper to review.⁹

The only reasonable basis for estimating current processing costs is through estimating the staff hours spent on each project type, which is the subject of Question 1 in the Ruling. Estimating staff hours does not require hard data and can be done by walking through the process step by step and using logical argument to justify why an individual step is expected to take a certain amount of time. However, Question 1 only requires the IOUs to produce a single estimate of staff hours for all non-NEM projects.¹⁰ It does not require the IOUs to produce staff hours estimates based on project type, size, or complexity, leaving out critical differences.

Consequently, the IOUs' answers failed to provide necessary information. For instance, PG&E only estimates that the cost per non-NEM application was \$1,075 in 2024 and \$740 in 2025, regardless of project type or size.¹¹ Similarly, SDG&E only estimates that non-NEM projects cost \$1,887 to process, regardless of project type or size, and vaguely alludes that some applications may cost as little as \$1,490 or as much as \$6,357 depending on project complexity.¹² SCE comes the closest to providing necessary nuance, producing an estimate of \$1,247 for export projects and \$835 for non-export projects.¹³ However, both the non-export axis and the project size axis are necessary to make actionable recommendations.

b. The Commission should establish a detailed, standardized justification method for estimating staff hours

Question 1 does not prescribe a method that the IOUs must use to justify their estimates of staff hours. In the absence of this requirement, PG&E provides no explanation of how it arrived at its estimates. SCE and SDG&E do better, breaking the process down into five stages and enumerating the individual tasks in each stage along with a time estimate for each individual task. However, SCE and SDG&E both took opaque liberties to group multiple tasks together when providing time estimates. Furthermore, since both did not provide estimates based on project type, their analyses are overly broad, assigning steps and staff hours to broad swaths of projects when their applicability depends on project size and whether the project exports.

⁹ SDG&E response to the Ruling, Appendix A, p. 1.

¹⁰ Ruling, p. 2.

¹¹ PG&E response to the Ruling, pp. 2-3.

¹² SDG&E response to the Ruling, p. 6.

¹³ SCE response to the Ruling, pp. 5, 7.

Ultimately, the IOUs use different estimation methods with varying levels of specificity and detail, leading to a discombobulated collection of estimates ranging from \$740 in PG&E's case to \$1,887 in SDG&E's case. SCE's approach to breaking down the process step-by-step, and doing so separately for export versus non-export, comes the closest to a reasonable justification but still requires much more granularity by project type and size. With modifications, SCE's approach represents a workable model towards a well-informed estimate of staff hours. The Commission should order each of the IOUs to report estimates of staff hours using a properly modified version of SCE's estimation model, as laid out in CALSSA's first recommendation.

c. PG&E and SDG&E should follow SCE's lead by reporting hourly rates for each internal team

SCE reports the hourly rates charged by staff on different teams.¹⁴ PG&E does something similar, but only includes EGI and engineering, leaving out the hourly rates charged by application processors. SDG&E only reports the rate charged by engineers performing custom interconnection studies, and CALSSA does not expect most small non-NEM systems to require such studies. The Commission should require PG&E and SDG&E to follow SCE's lead in breaking down hourly rates by team. Since cost estimates based on staff hours are generated by summing up the costs from each team, the estimation process is only transparent if the hourly rates for each team are provided. This allows stakeholders to see which teams are responsible for the most costs and identify bottlenecks.

d. Small non-NEM projects require little technical review

SCE makes the observation that for non-export projects using Rule 21 Option 8, the IOUs may apply Screen P in a certain manner.¹⁵ However, this observation is irrelevant to the application fee at hand since Screen P is part of the Supplemental Review process which has an entirely separate Supplemental Review fee. SCE's analysis of Initial Review does not identify a single screen that needs to be run for smaller non-export systems,¹⁶ consistent with the step-by-step analysis of Initial Review that CALSSA previously provided.¹⁷ The only Initial Review screen where some work may be justified is Screen B, where an IOU reviewer may need to

¹⁴ SCE response to the Ruling, p. 6.

¹⁵ SCE response to the Ruling, p. 13.

¹⁶ SCE response to the Ruling, p. 13.

¹⁷ *Comments of the California Solar & Storage Association on Assigned Commissioner's Scoping Memo and Ruling*, R.25-08-004, Table 9.

check if a certified PCS is being used, although much of this work can be streamlined through automated integration with the new CEC list for UL 3141 certified products and standardized single-line-diagrams (SLDs).

Ultimately, a high application fee for Small Non-Export reflects a bureaucracy and process issue, not fundamental technical requirements. This is similarly true for Small Export. The Commission should take this into account when updating the application fee and avoid overcorrecting to assign costs to customers when inefficient utility decisions are the true cause.

III. Refining SCE's Approach as a Case Study

Refining SCE's approach to provide staff hour estimates for each of the eight categories in Table 1 should be a straightforward exercise. For smaller non-export systems, SCE only needs to take its existing breakdown for non-export systems and reduce the steps and associated time estimates based on the work that does not apply to smaller systems. The same is true for small exporting systems.

If done correctly and with proper justification, this should result in more accurate cost estimates that are in line with the expectations of stakeholders. Below, CALSSA redlines the tables provided in SCE's response to the Ruling, providing a grounded justification for why a corrected estimate for Small Non-Export systems for SCE is 1.59 hours and \$154.28 per application to review today. CALSSA performs the same exercise for Small Export systems in the Appendix, calculating that a corrected estimate for Small Export systems for SCE is 4 hours and \$350.04 per application to review today. CALSSA's redlined estimates of the total staff hours and costs are generated by redlining the estimates for the individual tasks within each category that are relevant for small systems and adding up the corrected numbers.

CALSSA Redline - Total Estimated Effort For Standard Projects (in hours)

Supporting Organization	Export	Non-Export	Non-Export <= 30 kW
Interconnection	0.25	0	0
Processing			
Grid Contracts	3.75	2.75	0.67

Distribution Generation Interconnection	10	6.50	0.92
Total Effort	14	9.25	1.59

CALSSA Redline - Total Estimated Cost (\$) of Application Processing for Standard Projects

	Estimated Average Time (hours)	Average Hrly Pay	Total Average Labor Estimate by Project
Interconnection Processing	Export: 0.25 Non-Export: 0 Non-Export <= 30 kW: 0	\$74.81	Export: \$18.70 Non-Export: \$0 Non-Export <= 30 kW: \$0
Grid Contracts	Export: 3.75 Non-Export: 2.75 Non-Export <= 30 kW: 0.67	\$103.42	Export: \$387.83 Non-Export: \$284.81 Non-Export <= 30 kW: \$69.29
Distribution Generation Interconnection	Export: 10 Non-Export: 6.50 Non-Export <= 30 kW: 0.92	\$63.27	Export: \$632.70 Non-Export: \$411.26 Non-Export <= 30 kW: \$58.21
Total Labor Cost			Export: \$1,039.23 Non-Export: \$695.66 Non-Export <= 30 kW: \$127.50
Total Cost with 21% Company Overhead			Export: \$1,247.07 Non-Export: \$834.79 Non-Export <= 30 kW: \$154.28

CALSSA Redline - Application Review (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	Estimated 2 nd /3 rd deficiency review	CALSSA comments
• Review of documentation (ensure pdf/docs are valid and readable) • Log/track on central database • Process payment (if check is provided) • Assign and handoff to Project Lead and technical team • Review Site Exclusivity demonstration	Interconnection Processing	Export: 15min Non-Export: 0min	n/a	
- Review of documentation (ensure documentation is complete; review Site Exclusivity demonstration) - Log review/deficiency notes - Issue “deficiency” or “deemed valid” notices and address questions from the applicant on how to complete the application	Grid Contracts	Export: 60min Non-Export: 45min Non-Export <= 30 kW: 5min	Export: 45min Non-Export: 30min Non-Export <= 30 kW: 5min	- Site exclusivity was already determined to take zero minutes in the previous task, review of technical documentation is in the next task, leaving only unspecified review of non-technical documentation. This should not be anything unique or challenging. Unless SCE can provide a detailed analysis justifying why this should be expected to take 75 minutes, this time estimate should be much shorter. - Regarding answering questions from the applicant on how to complete the application, a more thorough written guide on how to fill out the explanation would likely amortize this time cost to trivial on average.

- Review of documentation (ensure technical parameters match application fields) - Prepare review or deficiency notes - Log/track on central database - Assigning and handoff to Engineer	Distribution Generation Interconnection	Export: 180min Non-Export: 120min Non-Export <= 30 kW: 30 min	Export: 90min Non-Export: 60min Non-Export <= 30 kW: 15 min	- CALSSA's understanding is that the primary technical review is checking that the single-line-diagram matches the technical options selected in the application. For small non-export systems that use PCS, this should not take more than half an hour. Some of this work may also overlap with the work within Fast Track Initial Review.
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CALSSA Redline - Fast Track Initial Review (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	CALSSA comments
• Perform review of Initial Review Screens - o If passed, identify whether upgrades are needed - o If failed, identify whether agreeable options can be proposed to allow project to pass Initial Review - o Prepare Initial Review Results - o Prepare for Results Meeting, if needed (customer request)	Distribution Generation Interconnection	Export: 240min Non-Export: 120min Non-Export less than or equal to 30 kW: 10 min	- See CALSSA's analysis in Section II.d of these comments. Smaller non-export systems automatically pass most Initial Review Screens, and reviewer work is limited to checking that a certified PCS is used in accordance with manufacturer intention, although even much of that can be automated.
• Review Initial Review Results Report • Schedule Initial Review Results Meeting (if requested)	Grid Contracts	Export: 30min Non-Export: 30min Non-Export less than or equal to 30 kW: 0 min	- The vast majority of small non-export systems pass Initial Review.

CALSSA Redline - Post Fast Track Initial Review Activities (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	CALSSA comments
• Coordinate and attend Initial Review Results Meeting, if requested. • Draft Interconnection Agreement • Finalize/Approve Interconnection Agreement • Review final documents (including insurance)	Grid Contracts	Export: 90min Non-Export: 60min Non-Export less than or equal to 30 kW: 30 min	- CALSSA's understanding is that the drafting of the Interconnection Agreement has been automated or is close to being automated. - Insurance review for small non-export should be as simple as ensuring there is a declarations page for an active homeowner insurance policy. Detailed digging on insurance policies is overkill.
• Attend Initial Review Results Meeting (Fast Track Screens Results), if requested. • Review technical portion of Interconnection Agreements.	Distribution Generation Interconnection	Export: 90min Non-Export: 90min Non-Export less than or equal to 30 kW: 0 min	- The vast majority of small non-export projects should pass Initial Review, obviating the need for meetings about Initial Review results. - The Interconnection Agreement was finalized and approved in the previous step, so no additional time should be needed here for reviewing the technical portion of the Interconnection Agreement.

IV. SDG&E's Estimates Reveal Administrative Waste

a. SDG&E spends 3x more time on administrative tasks than SCE

Like SCE, SDG&E divides the review process into five stages. However, SDG&E generates a singular estimate of staff hours that does not differentiate based on project type at all. Therefore, its estimate of staff hours cannot be used as a basis to understand current application costs by project type.

In addition to a dearth of needed granularity, SDG&E's breakdown contains enough information to raise serious concerns about SDG&E's management of the non-NEM process. SDG&E proposes that it spends ten hours on administrative tasks alone,¹⁸ which is triple the time

¹⁸ SDG&E response to the Ruling, pp. 3-4. SDG&E claims that it spends five hours on "Records and Contract Administration" and five more hours on "Post-Agreement and Permission to Operate Activities." These activities focus on tasks like invoices, payment, insurance review, and interconnection agreement drafting. SDG&E appears to

that SCE spends on administrative tasks.¹⁹ These ten hours of administrative tasks build in two hours of review from management, which is an unusual practice that is not shared by the other two IOUs and undoubtedly increases costs. Moreover, SDG&E assumes one hour of field inspection time for each application.²⁰ However, requiring a truck roll on every non-NEM system or most non-NEM systems is an inefficient and costly practice that is not shared by the other two IOUs. For example, SCE does not build site visit time into its default estimates and includes it as a separate line item for “non-standard projects.”²¹ It is CALSSA’s understanding that SDG&E does not do a site visit for all installations.

SDG&E spends two hours on technical review.²² Even this number is too high for Small Non-Export projects, where review of the SLD and checking for certified equipment are the only technical steps that need to be conducted. However, this highlights that SDG&E’s costs are dominated by administrative tasks like application fee processing, cost accounting, invoice preparation and transmittal, payment verification and collection, insurance review, and scanning and hard-copy distribution of documents. Tasks like these should be automated and streamlined and should not be adding up to ten hours.

b. SDG&E’s requirement for a redundant paper application causes unnecessary cost

Customers report that SDG&E requires both an online and paper application for non-NEM systems, which requires double the work and utility review. Not only does the customer need to fill out the application in the online portal, but they also need to complete a paper application and upload it to the portal. This adds costs on SDG&E’s side to process an additional and redundant paper application, which is likely the cause for arcane tasks like “[r]ecords retention processing” and “[s]canning, filing, and hard-copy distribution of executed documents.”²³ SDG&E used to pride itself as an industry leader when it created the DIIS

be far behind on streamlining administrative activities. SCE has automated the drafting of the interconnection agreement.

¹⁹ SCE response to the Ruling, p. 4. SCE claims that it spends up to 3 hours on interconnection agreement drafting, insurance review, and other administrative activities.

²⁰ SDG&E response to the Ruling, p. 4.

²¹ SCE response to the Ruling, p. 2.

²² SDG&E response to the Ruling, p. 3. See the first two stages, the only ones that involve any technical steps.

²³ SDG&E response to the Ruling, p. 4.

electronic platform for interconnection. It is out of step with that previous leadership that SDG&E in this day and age requires paper submittals.²⁴

c. Fee updates should not overcorrect for SDG&E's artificial barriers

SDG&E's review process has additional inefficiencies that are shared by all the IOUs, as explained in Section V below. SDG&E's non-NEM application process is not ready for prime time and appears to be more outdated than that of the other two IOUs. The Commission should recognize SDG&E's deficiencies by immediately ordering basic changes to SDG&E's administrative processes and setting the fee to account for the savings that would be generated by achievable modernization. This can begin by removing the outdated requirement to submit a paper application in addition to an online application. Customers are not causing much of SDG&E's costs. SDG&E is itself responsible for the administrative inefficiency that is clearly creating artificially high costs.

V. Simple Process Changes Would Reduce Administrative Waste for All IOUs

a. The lack of a helpful application guide causes unnecessary confusion and cost

Each IOU should be required to maintain a public-facing application guide for non-NEM systems. This guide should explain how to fill out the application for each type of non-NEM system, including screenshots of how to fill out different questions and explanations for technical terms like various protection options. Customers report that SDG&E does not have a guide or detailed instructions, and that customers are required to request one-on-one meetings with SDG&E staff to get a verbal walkthrough of how to fill out the application. Although PG&E and SCE do have application guides for non-export expansions, these guides have significant ambiguity and need to be easier for contractors to find.

The lack of written instructions naturally results in many more deficiencies than necessary and increases time and costs on all sides. Many of these deficiencies are administrative and entirely avoidable. For instance, SDG&E requires customers to upload interconnection agreement forms and insurance documents in a section titled "Extra Document Upload (Optional)." However, there is no clear guidance that this is the right place to upload

²⁴ SDG&E deservedly called its interconnection portal "best in class" in 2019: "Interconnection Process at SDG&E" (PowerPoint), available at <https://www.energy.gov/documents/15-fupwg-spring-2019-parkspdf>.

interconnection agreement forms and insurance, made further opaque by the fact that this is titled as an optional section when it is mandatory.

As another example, customers report that SDG&E recently made a portal change that requires customers to mark that non-NEM storage charges from the grid, even when the storage is solar-only charged. With SCE, customers have struggled to understand and meet SCE's requirements regarding the Sequence of Operation document, and clear written documentation would reduce deficiencies. Creating written instructions is a simple upfront investment that would save significant resources in the long run.

b. Changing the application process without advance notice causes unnecessary confusion and cost

Stakeholders have previously identified that it is common for some of the IOUs to change the application process without giving clear advance notice to customers and contractors.²⁵ As a recent example, SDG&E updated the template for Form 142-05203 (the mandatory paper application that duplicates the online application) on August 17, 2026, without notifying contractors. If contractors apply with the old form, this will lead to automatic rejections and multiple review cycles. A simple email to all contractors with the new form would prevent many deficiencies and unnecessary staff review hours. Many utility staff hours are avoidable with better upfront communication.

VI. Most Non-NEM Systems Are Residential

SDG&E reports that 96% of non-NEM applications received over the last two years have been residential.²⁶ Similarly, SCE reports that 64% of non-NEM applications received over the last two years have been residential.²⁷ In contrast, PG&E reports that only 27% of its non-NEM applications over the last two years have been residential.²⁸ PG&E's data is inconsistent with the data from the other two IOUs and CALSSA's own experience. The Commission should further investigate PG&E's reported data on this subject.

²⁵ *Tesla, Inc.'s Opening Comments Responding to the Assigned Commissioner's Scoping Memo and Ruling Questions*, pp. 10–11.

²⁶ SDG&E response to the Ruling, p. 16.

²⁷ SCE response to the Ruling, p. 15.

²⁸ PG&E response to the Ruling, p. 8.

VII. Conclusion

Non-NEM customers are currently saddled with inefficient and wasteful utility review processes, ranging from a lack of instructions to mandatory paper applications that duplicate the online application. These costs are caused by utility bureaucracy, not non-NEM customers.

A reasonable compromise is to base the fee on an adjusted version of current non-NEM review processes that incorporates a set of basic, high-impact process improvements. The IOUs would recover a reasonable version of their current costs, and customers would pay a fee that more closely approximates the review costs that they are causing. Through a follow-up data request and stakeholder workshop, the Commission can gain enough information to understand the reasonable costs that are incurred by the IOUs today.

CALSSA appreciates the Commission's attention to these critical interconnection issues and looks forward to working together to unlock the electrification and load flexibility that will lead to long-term affordability.

Respectfully submitted,

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August 28, 2026

VIII. Appendix – Corrected SCE Staff Hours Estimate for Small Export Systems

Below, CALSSA redlines the tables from SCE’s response to the Ruling. This analysis builds off SCE’s analysis by removing the work that is irrelevant for small exporting non-NEM systems.

CALSSA Redline - Total Estimated Effort for Standard Projects (in hours)

Supporting Organization	Export	Export <= 30 kW	Non-Export	Non-Export <= 30 kW
Interconnection Processing	0.25	0.25	0	0
Grid Contracts	3.75	0.83	2.75	0.67
Distribution Generation Interconnection	10	2.92	6.50	0.92
Total Effort	14	4	9.25	1.59

CALSSA Redline - Total Estimated Cost (\$) of Application Processing for Standard Projects

	Estimated Average Time (hours)	Average Hrly Pay	Total Average Labor Estimate by Project
Interconnection Processing	Export: 0.25 Non-Export: 0 Export <= 30 kW: 0.25	\$74.81	Export: \$18.70 Non-Export: \$0 Export <= 30 kW: \$18.70
Grid Contracts	Export: 3.75 Non-Export: 2.75 Export <= 30 kW: 0.83	\$103.42	Export: \$387.83 Non-Export: \$284.81 Export <= 30 kW: \$85.84

Distribution Generation Interconnection	Export: 10 Non-Export: 6.50 Export <= 30 kW: 2.92	\$63.27	Export: \$632.70 Non-Export: \$411.26 Export <= 30 kW: \$184.75
Total Labor Cost			Export: \$1,039.23 Non-Export: \$695.66 Export <= 30 kW: \$289.29
Total Cost with 21% Company Overhead			Export: \$1,247.07 Non-Export: \$834.79 Export <= 30 kW: \$350.04

CALSSA Redline - Application Review (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	Estimated 2 nd /3 rd deficiency review	CALSSA comments
• Review of documentation (ensure pdf/docs are valid and readable) • Log/track on central database • Process payment (if check is provided) • Assign and handoff to Project Lead and technical team • Review Site Exclusivity demonstration	Interconnection Processing	Export: 15min Non-Export: 0min Export <= 30 kW: 15min	n/a	
- Review of documentation (ensure documentation is	Grid Contracts	Export: 60min Non-Export: 45min	Export: 45min	- Site exclusivity was already determined in the previous task, review of technical documentation is in the next

complete; review Site Exclusivity demonstration) - Log review/deficiency notes - Issue “deficiency” or “deemed valid” notices and address questions from the applicant on how to complete the application		Export <= 30 kW: 5min	Non-Export: 30min Export <= 30 kW: 5min	task, leaving only unspecified review of non-technical documentation. This should not be anything unique or challenging. Unless SCE can provide a detailed analysis justifying why this should be expected to take 105 minutes for Small Export, this time estimate should be much shorter. - Regarding answering questions from the applicant on how to complete the application, a more thorough written guide on how to fill out the explanation would likely amortize this time cost to trivial on average.
- Review of documentation (ensure technical parameters match application fields) - Prepare review or deficiency notes - Log/track on central database - Assigning and handoff to Engineer	Distribution Generation Interconnection	Export: 180min Non-Export: 120min Export <= 30 kW: 30 min	Export: 90min Non-Export: 60min Export <= 30 kW: 15 min	- CALSSA’s understanding is that the primary technical review is checking that the SLD matches the technical options selected in the application. For Small Export, little complexity is involved, and this should not take more than half an hour. Much of this could also be streamlined through standardized SLD templates. - Some of this work may also overlap with the work within Fast Track Initial Review.

CALSSA Redline - Fast Track Initial Review (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	CALSSA comments
• Perform review of Initial Review Screens - o If passed, identify whether upgrades are needed - o If failed, identify whether agreeable options can be proposed to allow project to pass Initial Review	Distribution Generation Interconnection	Export: 240min Non-Export: 120min Export <= 30 kW: 60 min	- Four hours to run Initial Review screens on Small Export is excessive. The IOUs should identify the time per screen. Additionally, most Small Export systems pass Initial Review, amortizing the need for preparing for results meetings to a small number.

- o Prepare Initial Review Results - o Prepare for Results Meeting, if needed (customer request)			
• Review Initial Review Results Report • Schedule Initial Review Results Meeting (if requested)	Grid Contracts	Export: 30min Non-Export: 30min Export <= 30 kW: 10 min	- Most Small Export projects should pass Initial Review, amortizing the time reviewing results and scheduling meetings to a small number.

CALSSA Redline - Post Fast Track Initial Review Activities (Standard and Non-Standard Projects)

Description of Task(s)	Supporting Organization	Estimated Average Time for first review	CALSSA comments
• Coordinate and attend Initial Review Results Meeting, if requested. • Draft Interconnection Agreement • Finalize/Approve Interconnection Agreement • Review final documents (including insurance)	Grid Contracts	Export: 90min Non-Export: 60min Export <= 30 kW: 30 min	- CALSSA's understanding is that the drafting of the Interconnection Agreement has been automated or is close to being automated. - Insurance review for small systems should be as simple as provision of homeowner insurance. Detailed digging on insurance policies is overkill.
• Attend Initial Review Results Meeting (Fast Track Screens Results), if requested. • Review technical portion of Interconnection Agreements.	Distribution Generation Interconnection	Export: 90min Non-Export: 90min Export <= 30 kW: 30 min	- Most Small Export projects should pass Initial Review, amortizing the time spent in Initial Review results and associated meetings to a small number. - The Interconnection Agreement was finalized and approved in the previous step, so no additional time should be needed here for reviewing the technical portion of the Interconnection Agreement.