



Appendix A: Calculation of Cost-Revenue Balance For Illustrative Fee Scheme

Any fee scheme should balance the total costs of interconnection processing with the total revenue received from interconnection fees. Due to a lack of actual cost-accounting data of a given project or defined group of projects, the following method was used to derive the illustrative fee schedule in the Ruling, and reproduced here for ease of reference:

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Group A: 0-15 kW residential: \$400

Group B: 16-30 kW residential: \$700

Group C: 0-30 kW non-residential: \$1000

Group D: > 30 kW all projects: \$1000 plus \$5/kW adder up to maximum of \$4000

The illustrative fee schedule relies on data filed by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) on August 11, 2026 in response to the July 14, 2026 *Administrative Law Judge's Ruling Directing Utilities to Produce Rule 21 Interconnection Application Data (Fees Ruling)* and Additionally, the illustrative fee schedule also uses PG&E's, SCE's, and SDG&E's quarterly timelines reports, as noted.¹ Those quarterly timelines reports show historical shares of projects in different size groupings for each utility.

Table 1 reflects shares of projects in different size categories based on data from the 2024-2025 quarterly timelines reports and IOU responses to question 4.a. of the Fees Ruling. Using Table 1 data, Table 2 shows the calculated distribution of projects in different categories based on both the timelines quarterly reports and the utility responses to the Fees Ruling.

Table 1: Share Estimates from 2024-2025 Quarterly Timelines Data

	% of projects < 30 kW that are also < 15 kW	% of all projects that are residential ²
PG&E	94%	27%
SCE	55%	64%
SDG&E	98%	96%

Table 2: Numbers of Projects in Different Size and Customer-Class Categories, 2024-2025³

Row		PG&E	SCE	SDG&E
1	Less than 15 kW (Residential)	1366	1060	1913
2	Less than 15 kW (non-Residential)	3272	0	0
3	15 kW to 30 kW (Residential)	0	537	11
4	15 kW to 30 kW (non-Residential)	296	331	28

¹ PG&E, SCE, and SDG&E submitted their 2024 and 2025 quarterly reports to the R.17-07-007 and R.25-08-004 service lists with Excel spreadsheets documenting timelines data for interconnection applications being processed.

² Based on IOU responses to Question 4.a. of the Fees Ruling.

³ Table 2 is based on data reported by utilities in responses to the Fees Ruling for project totals 2024-2025, plus staff analysis of quarterly timelines reports for 2024-2025. Figures in Rows # 1- 4, are calculated based on the percentages shown in Table 1. Figures in Rows #5-8 were reported directly by utilities in their August 11, 2026 responses to the Fees Ruling (see Footnote 1).

5	30 kW (inclusive) to 500kW	105	188	40
6	500 kW to 1MW	13	20	7
7	1 MW to 5 MW	5	192	4
8	5 MW and larger	3	168	1
9	Total	5060	2496	2004

Then the calculation proceeds as follows. Total fee revenues for each utility were calculated by adding each category project share multiplied by its fee. Each category project share comes from the project numbers shown in Table 2. The total processing costs for each utility were pulled from utility responses to the Fees Ruling.

Total fees revenue for Utility #1 =

$$[\text{Total number of projects processed during 2024-2025}] * \\ [(\text{Category A project share})(\text{Category A fee}) + (\text{Category B project share})(\text{Category B fee}) + \\ (\text{Category C project share})(\text{Category C fee}) + (\text{Category D project share})(\text{Category D fee})]$$

Total processing cost for Utility #1 =

as reported in response to the Fees Ruling for all projects (combined) processed during 2024-2025

Total processing cost: Utility #1 + Utility #2 + Utility #3 as above

Total fees revenue: Utility #1 + Utility #2 + Utility #3 as above

The illustrative scheme presented results in a balance between total processing cost and total fees revenue per staff analysis. The reported total processing cost across all three utilities as reported in the utility responses to the Fees Ruling is about \$7 million. The illustrative fees scheme results in total fee revenue of over \$8 million across all three utilities.

Note that this does not necessarily result in each utility balancing individually, only that total processing costs and total fees revenue balance to result in no net impact to ratepayers.

(END APPENDIX A)