



ALJ/ADW/mac 10/08/2026

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10/08/26

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P2508004

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

**ADMINISTRATIVE LAW JUDGE'S RULING SEEKING
COMMENT ON PROPOSAL TO MODIFY TIMELINE REPORTING
REQUIREMENTS AND APPLICATION FEES**

This ruling seeks party comment on a proposal to modify the timeline reporting requirements and application fees for non-Net Energy Metering and Non-Net Billing Tariff resources identified in the Assigned Commissioner's Scoping Memo and Ruling issued March 3, 2026. The proposal reflects the parties' comments on the Order Instituting Rulemaking, their opening and reply comments on the Scoping Memo, and responses to the ALJ ruling issued on July 14, 2026. Parties may file and serve opening comments on this proposal within three weeks of the issuance of this ruling and reply comments within one week of opening comments.

1. Timeline Reporting Requirements

1.1. Guiding Objectives for Timelines Proposal

This timeline modification proposal was developed with the following objectives in mind:

- a. The Commission should evaluate interconnection performance primarily by tracking the end-to-end timelines – that is, the number of business days between the date a utility deems an application complete and the date the utility issues permission to operate (PTO). This

- allows performance assessment on a project-by-project basis, which is not currently possible with the existing timeline framework. Utilities should continue tracking existing timelines that measure individual processing steps for diagnostics and process improvement, but time-to-PTO should be the primary performance metric. End-to-end timelines should count days when the utility is responsible for action and exclude documented periods when utilities are waiting for information, documents, signatures, or decisions from an applicant.
- b. “Base” end-to-end timeline standards should be set by sorting Rule 21 applications into groups designed to have similar end-to-end processing times due to common project characteristics and shared or similar processing requirements.¹ “Adder” timeline standards may also be used for applications that require additional specific processing steps or additional studies such as Supplemental Review and Detailed Study.
 - c. Not every application requires supplemental studies such as Supplemental Review and Detailed Study. Therefore, the base timelines should not include budgeting for supplemental studies. At the same time, utilities should conduct these studies in a standardized, streamlined fashion and only as needed. Accordingly, the base timelines should be extended by a fixed amount for each supplemental study an application requires.
 - d. Recognizing that there will always be exceptions to standard processes, the Commission should establish a framework and process to recognize “non-routine” projects or exceptional circumstances that shouldn’t count toward overall compliance metrics but can be tracked and reported separately.

¹ A variety of project characteristics and grid conditions can potentially affect processing times, but the processing steps common to a great majority of projects can be approximated as the “base” timeline. In the timelines proposal for end-to-end timelines in Section 1.2.4 of this ruling, the two proposed “base” timelines are differentiated by project size only, with “adder” timelines accounting for other major differences in processing steps.

- e. The Commission and all interested stakeholders require standardized, high-quality, and timely data to evaluate utilities' performance. Accordingly, the Commission should require utilities to develop a standardized reporting template for timeline compliance, make the information available online, and regular updates of the information. This should be done in a way that increases information accessibility without unnecessary investment in information technology infrastructure.

1.2. Timelines Proposal

1.2.1. Adding Timelines the Utilities Must Track

Require utilities to add the following timelines to their reporting because they are common, necessary, or potentially time-consuming steps required to interconnect certain projects:

- a. Customer site visits and inspections (from customer request to completion)
- b. Variance requests for line-side taps
- c. Load studies for storage projects (when required, from application submission/deemed complete? to completion)
- d. Customer disconnect/reconnect (from customer request to completed)
- e. Equipment Type Testing under Rule 21 Section L
- f. Distribution Group Study process
- g. Backup systems notifications (for both momentary parallel operation mode and Isolated operation mode), including approval of proposed transfer switch or operating scheme, and sending out of the notification authorizing the operation of the backup system
- h. Special Facilities Agreements

1.2.2. Removing Timelines the Utilities Must Track

No longer require utilities to report the following timelines because the steps are not commonly required, are automated, or are not time-consuming:

- a. Acknowledgment of receipt of interconnection application (Timeline A)
- b. Electrical Independence Test (Timeline E)
- c. EIT completion to results scoping meeting (Timeline F)
- d. Study scoping meeting to study agreement (Timeline G)
- e. System Impact Study (Timeline H)
- f. Total time from interconnection request to PTO (Timeline L)
- g. Scheduling Commissioning Test (Timeline S)

1.2.3. Defining End-to-End Timelines

Require utility timeline reporting to utilize the following definitions:

- a. End-to-end timeline: Elapsed time in business days from an application being deemed complete (Rule 21 Section E.5.a) to the time PTO is issued, minus any customer response times.
- b. Customer response time: Elapsed time in business days from when a customer is notified that additional information or revised information is required, to the time that information is received by the utility, at any point during the process from deemed complete to PTO issued. Customer response time also includes the time that an application is “parked” prior to PTO (that is, awaiting necessary final customer documentation such as local permitting), as well as the time a customer takes to make an optional decision and notify the utility, as specified in Rule 21, such as a customer decision to request a Supplemental Review results meeting following the issuance of Supplemental Review results.

1.2.4. Setting End-to-End Timeline Requirements:

- a. For projects 30 kVA and smaller, assign a “base” end-to-end timeline of 20 business days.²
- b. For projects greater than 30 kVA but less than or equal to 500 kVA, the final end-to-end timeline for a given project is a “base” of 30 business days³ plus a “timeline adder” for certain processing steps that the project must go through. The adders are as follows:
 1. Fails Initial Review
 2. Net Generation Output Meter (NGOM) installation
 3. Line-side tap variance
 4. Supplemental Review (no results meeting)
 5. Supplemental Review (with results meeting)
 6. Detailed Study
 7. Pre-parallel inspection related to equipment Type Testing
 8. Field inspection prior to PTO
 9. Grid upgrade design and construction
 10. Other processing steps to be defined as may be warranted
- c. For projects greater than 500 kVA, defining and measuring end-to-end timelines may pose special challenges or considerations. This ruling solicits comment on possible approaches to set timeline requirements for such projects.
- d. Utilities must separately track and report each application-review cycle (existing Timeline B) from application submission to either a deemed-complete

² End-to-end timelines of 20 business days for all projects 30 kW and smaller and 30 business days for non-NEM projects less than 1 MW were proposed by CALSSA in its April 30, 2026 opening comments on the March 3, 2026 *Assigned Commissioner’s Scoping Memo and Ruling*, at 19.

³ *Id.*

determination or a deficiency notice. For applications that must be re-submitted due to deficiency, utilities must track and report each review cycle separately for each re-submission. Utilities must report the mean, median, and maximum processing time for all Timeline B review cycles.

- e. Designate specific circumstances and conditions under which an application would be wholly exempt from these end-to-end timeline requirements.
- f. For projects wholly exempt from end-to-end timeline requirements due to specific circumstances and conditions, utilities must report:
 - 1. The 10th, 20th, 30th, through 100th percentile and mean of actual end-to-end processing times in business days for applications that received PTO in the previous 12 months;
 - 2. The total number of applications for which PTO was issued in the previous 12 months; and,
 - 3. The total number of applications withdrawn in the previous 12 months

1.2.5. Ordering Utilities to Report Timelines Performance on Public Websites

- a. Require utilities to update their Rule 21 webpage showing the process to submit the application and the business day standards for all individual timelines that the utilities track and report in an application.⁴
- b. Require utilities to post on their websites, and update on a monthly basis, the information listed below.
 - 1. For projects less than or equal to 30 kVA
 - i. The 10th, 20th, 30th, through 100th percentile and mean of actual end-to-end processing times in

⁴ Rule 21 defines a Business Day as "Monday through Friday, excluding Federal and California State Holidays."

- business days for applications that received PTO in the previous 12 months and
- ii. The percentage of projects that met the end-to-end 20 business day timeline standard.
2. For projects less than or equal to 500 kVA but greater than 30 kVA: sort the applications into groups based on the type and number of supplemental steps the applications were required to go through. For each project group:
- i. The 10th, 20th, 30th, through 100th percentile and mean of actual end-to-end processing times in business days for applications that received PTO in the previous 12 months;
 - ii. The total number of applications for which PTO was issued in the previous 12 months;
 - iii. The total number of applications withdrawn in the previous 12 months;
 - iv. Aggregated comparison of those statistics to the end-to-end timeline standards (adjusted to account for the aggregate of the “timeline adders” for the group); and
 - v. The percentage of projects that met the end-to-end business day timeline standard applicable to each project, including applicable “timeline adders.”
3. For projects greater than 500 kVA: To be determined.
- This ruling seeks party comment on this issue.

1.3. Questions for Parties on Timelines Proposal

Parties are encouraged to respond to the following questions in their comments, providing supporting reasons:

- a. Are there any existing timeline data that are ineffective and need removal? Which additional timelines should utilities monitor and report and why? How should the proposal be

- modified, if needed, to identify the days affecting end-to-end timeline reporting? In other words, which processing days within the total elapsed time should utilities be responsible for?
- b. The proposal groups projects into three categories based on project size (30 kVA or less, greater than 30 kVA but less than or equal to 500 kVA, and greater than 500 kVA). Are additional modifications, such as further subgrouping, needed for these categories?
 - c. The proposal sets a 20-business-day “base” end-to-end timeline for projects 30 kVA or less and does not allow for “adder” timeline extensions for supplemental application processing steps. Are 20 business days reasonable? Are further modifications recommended for this approach?
 - d. The proposal assigns a 30 business day “base” timeline for projects greater than 30 kVA but less than or equal to 500 kVA and allows for “adder” timeline extensions based on supplemental application processing steps.
 - i. Is a 30-business-day base timeline reasonable?
 - ii. How would you modify list of timeline adders in Section 4(b) for certain processing steps that would qualify for timeline extensions?
 - iii. How should the Commission determine the time extension allotted for each step (i.e., how should the Commission set timelines for the supplemental steps)?
 - iv. How should the Commission treat situations where certain processing steps (supplemental or otherwise) must be repeated?
 - e. How, if at all, should the Commission set timelines and website reporting requirements for projects greater than 500 kVA?
 - f. How should the Commission determine the exceptional cases or circumstances where an application should not count toward aggregate statistics?

- g. What modifications to the reporting requirements described above are necessary?

2. Applications Fee Proposal

2.1. Guiding Objectives for Applications Fees Proposal

The following proposal, which would apply only to non-Net Billing Tariff (NBT) and non-Net Energy Metering(NEM) resources, is based upon two criteria:

- a. Total revenue from application fees should balance total costs to process interconnection projects, to uphold the cost-causation principle and prevent ratepayer impact.
- b. Application fees should be differentiated among project groupings that have different processing costs, based on potential factors such as size, complexity, project type, and/or customer class.

2.2. Proposal to Calculate Application Fees

- a. An application fee schedule is established that reasonably meets the above two criteria given the currently available information and data. This schedule should differentiate among a defined set of project groupings and should be reasonably expected to balance total revenue from fees with total costs incurred by the utilities to process interconnection applications. An example of a fee schedule is one differentiated by project size and customer class, as illustrated below:⁵
 - Group A (Residential, less than or equal to 15 kW): \$400
 - Group B (Residential, greater than 15 kW and less than or equal to 30kW): \$700
 - Group C (Non-residential, less than or equal to 30 kW): \$1000

⁵ See Appendix A for the basis of how the given example for illustration purposes was derived.

- Group D (All projects greater than 30 kW): \$1000 plus \$5 per kW over 30 kW, capped at \$4000
- b. Once the application fee schedule becomes effective, utilities will begin collecting cost-accounting data on the actual processing costs incurred for a sample of projects in each project group. The sample size and selection in each group should be representative of projects in that group, based on historical project volume and characteristics for that group over the two-year period 2024-2025.⁶
- c. The sampling process should take place within a defined period of time that reflects end-to-end processing times needed to track processing cost within each project grouping; for example, the sampling period for the illustrative Groups A, B, and C above could be expected to be no more than 12 months, while the sampling period for Group D could be expected to be no more than 24 months.
- d. Determination of actual processing costs incurred is done in a consistent manner across all three utilities and accounts for the following cost categories:⁷
- Engineering staff time
 - Administrative staff time
 - Legal review time
 - Field inspection and testing costs
 - IT systems operation and maintenance attributable to interconnection processing
 - Excluding all costs associated with Supplemental Review and Detailed Study, as those costs are paid by fees separate from the interconnection application fee.

⁶ The two-year period 2024-2025 matches the timeframe of data requested of parties in the *Ruling Directing Utilities to Produce Rule 21 Interconnection Application Data* filed on July 14, 2026.

⁷ Reporting of processing costs does not necessarily mean reporting of each of the given cost categories separately. The purpose of establishing cost categories is primarily to ensure consistency of reported totals across all three utilities.

- e. Following the completion of each sampling process, utilities describe the results and the degree to which total processing costs and total fee revenue are in balance or out of balance, and the factors that have had the most influence on costs and revenue balance. The utilities also recommend and justify whether a modification to the fee in each grouping is warranted.
- f. The fee schedule remains in effect until any modifications are adopted by the Commission, based on utility reporting on the results of the sampling process and party comments on those results.

2.3. Questions for Parties on Application Fees Proposal

- a. Overall: Do you support the approach described in this ruling? If not, is your concern with the general approach or the specific numbers (e.g.
- b. Project Groupings: What are appropriate project groupings and fee levels for the application fee schedule? Please justify your choices by considering the most important project attributes and any additional factors.
- c. Sampling Period: What is the needed length of time to adequately conduct a sampling of actual project processing costs, and what is the expected degree of difficulty in conducting the sampling process?
- d. Sample Size: What is the appropriate sample size (i.e., number of projects) for each grouping? Should the sample size be consistent across all groups? How should the sampled projects be selected within each grouping (e.g., percentages by customer class)?
- e. Cost Categories: Are any significant cost categories missing, or are the categories incorrectly defined?
- f. Alternate methods of determining fees: What alternative methods to calculate appropriate fees do parties propose? Consider representative sampling, developing new project-specific cost-accounting systems, and/or further utility-

provided estimates. Comment on the tradeoff between accuracy, resource cost to the utilities, and time to delivery.

IT IS SO RULED.

Dated October 8, at San Francisco, California.

/s/ ANDREW DUGOWSON

Andrew Dugowson
Administrative Law Judge