BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies.	Rulemaking 19-09-009

CLEAN COALITION COMMENTS ON PROPOSED DECISION GRANTING PETITION FOR MODIFICATION OF DECISION 20-06-017 BY CALIFORNIA SOLAR & STORAGE ASSOCIATION, IN PART

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission ("the Commission") Rules of Practice and Procedure, the Clean Coalition respectfully submits these comments on the *Proposed Decision* ("PD") *Granting Petition for Modification* ("PFM") *of Decision* ("D.") *20-06-017 by California Solar & Storage Association, in Part*, issued by the Commission on October 26, 2026.

The Clean Coalition appreciates the Commission's recognition of the importance of oversized behind-the-meter ("BTM") energy storage for resilience and grid reliability and strongly supports extending the exemption from the 150% storage power-rating limitation.

However, the Clean Coalition recommends that the Commission make the exemption permanent, recognize the ability of certified Power Control Systems ("PCS") to limit exports and avoid unnecessary grid upgrades, and clarify that customers should only be responsible for reasonable, necessary, and incremental costs directly attributable to their projects. The PD also contains inconsistencies in the ordering language that should be corrected.

II. DESCRIPTION OF PARTY

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources ("DERs")—such as local renewables, demand response, and energy storage—and establishes market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits.

III. COMMENTS

A. The Commission should permanently remove the storage sizing limitation.

The Clean Coalition has consistently supported permanently eliminating the storage sizing limitation to promote renewables-driven resilience, electrification, and grid reliability. As explained in our July 14, 2025 response to CALSSA's Petition, oversized energy storage enables customers to maintain critical loads during extended outages while retaining sufficient capacity to provide grid services during normal operating conditions. Restricting storage power capacity unnecessarily limits these opportunities, particularly as customers electrify additional loads and participate in virtual power plants ("VPPs").[1]

The record demonstrates that the exemption has been widely utilized without establishing that oversized storage has caused adverse grid impacts. CALSSA identifies 20,206 NBT-paired storage installations exceeding the 150% threshold, with 39% of recent installations exceeding that threshold. In 2024, the Joint IOUs supported removing the limitation, subject to appropriate treatment of interconnection upgrade costs. Although PG&E subsequently expressed uncertainty regarding potential impacts, neither the PD nor PG&E's concerns as summarized therein identify specific documented adverse consequences attributable to the exemption.[2]

The absence of demonstrated harm after years of experience, together with existing interconnection safeguards, supports permanent removal rather than another temporary extension. The Commission retains authority under Public Utilities Code Section 1708 to revisit this policy if evidence of adverse impacts emerges. There is no need to create additional regulatory uncertainty through another arbitrary sunset. **The Clean Coalition requests that the Commission permanently remove the storage sizing limitation, or alternatively, maintain the exemption until the Commission affirmatively adopts a subsequent decision modifying it.**

B. PCS should allow customers to maximize onsite storage without triggering unnecessary grid upgrades.

Clean Coalition supports CALSSA's recommendation that customers bear appropriate responsibility for upgrades actually necessitated by their interconnection. However, installed battery power capacity does not necessarily determine the impact of a project on the distribution grid. While the 150% limitation applies to storage power (kW), rather than energy capacity (kWh), the two are often linked in commercially available battery systems. Consequently, limiting installed power can unnecessarily restrict the energy capacity available for resilience. Customers should be

[1] Clean Coalition Response to CALSSA PFM to Modify D.20-06-017 to Remove an Energy Storage Sizing Limit, July 14, 2025, at pp. 2-3.
[2] PD at p. 3, pp. 6–7, p. 10, and pp. 14–15.

free to install the energy capacity necessary to withstand extended outages, provided that the system's grid-facing operations comply with applicable interconnection requirements.

Certified PCS can limit exports at the point of interconnection while allowing a larger battery to serve onsite loads and provide resilience. CALSSA expressly makes this distinction in its reply to responses, explaining that PCS can limit exports without restricting the storage system's full onsite power capability.[3] Existing Rule 21 provisions already recognize certified PCS for limited-export configurations, demonstrating that operational limits are a viable alternative to requiring upgrades based solely on nameplate capacity.

Clean Coalition's July 2025 filing similarly described a solar microgrid designed to operate within existing distribution constraints, avoiding costly upgrades while supporting substantial onsite loads.[4] This illustrates why interconnection requirements should consider the system's actual grid-facing capabilities rather than automatically equating installed capacity with distribution impacts. Accordingly, the Commission should clarify that utilities must evaluate certified PCS-based export limits, and applicable import limits, when determining whether grid upgrades are necessary. Customers should not be required to finance upgrades that can be avoided through enforceable operational limits, subject to applicable Rule 21 safety and protection requirements.

C. Cost responsibility should be limited to necessary and demonstrable incremental costs.

Clean Coalition supports appropriate customer cost responsibility for grid upgrades directly caused by oversized storage. However, any charges should be limited to the reasonable, incremental costs of upgrades actually required to accommodate the project's authorized grid-facing operations. Costs should be transparently documented, subject to reconciliation with actual expenditures, and should not include unnecessary upgrades, speculative costs, or duplicative charges.

The PD contains an important inconsistency on this issue. Section 5.2 states that additional research is needed before deciding whether new cost-responsibility provisions are warranted, yet Ordering Paragraph 3 modifies Conclusions of Law 22 and 23 to include cost responsibility for grid upgrades.[5] The ordering language also does not clearly incorporate the less-than-1-MW qualification discussed in CALSSA's Petition.

The Commission should reconcile these provisions and clarify that any adopted cost-

[3] *Ibid*., at p. 11.
[4] Clean Coalition Response to CALSSA PFM to Modify D.20-06-017 to Remove an Energy Storage Sizing Limit, July 14, 2025, at pp. 2-3.
[5] PD at pp. 15–16, 18–19.

responsibility requirements apply only where an interconnection study demonstrates that upgrades are necessary, after accounting for certified PCS and other available mitigation measures. Where no incremental upgrade is necessary, no additional upgrade cost should be assessed simply because a storage system exceeds the 150% threshold.

D. The PD should correct inconsistencies in its ordering language.

Clean Coalition additionally recommends that the Commission correct references to D.20-06-012 in Ordering Paragraphs 1 and 2 to D.20-06-017, reconcile the Tier 1 and Tier 2 advice-letter requirements, and clarify the applicability of the modifications to both NEM and NBT systems.

IV. CONCLUSION

The Clean Coalition appreciates the Commission's decision to continue removing barriers to oversized storage and strongly supports adoption of the PD with the modifications described above. Permanently eliminating the sizing limitation, recognizing PCS-based operational limits, and ensuring that customers bear only necessary and attributable interconnection costs will promote resilience, grid reliability, and cost-effective distributed energy resource deployment.

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Appendix A: Changes to Findings of Fact, Conclusions of Law, and Ordering Paragraphs

1. Replace Finding of Fact 4 and add Findings of Fact recognizing the experience with oversized storage and the capabilities of PCS:

Replace Finding of Fact 4 with:

The temporary removal of the 150% storage power-rating limitation has enabled substantial deployment of oversized paired storage systems. The record does not identify specific documented adverse grid impacts attributable to the removal of this limitation.

Add Findings of Fact:

The 150% limitation restricts installed storage power (kW) rather than stored energy capacity (kWh). However, because commercially available battery systems often combine storage modules and inverters, limiting installed power can also restrict the energy capacity available for resilience. Certified Power Control Systems can limit power exports at the point of interconnection independently of installed storage power capacity, allowing larger storage systems to serve onsite loads without necessarily requiring additional distribution infrastructure. Applicable import limits can similarly mitigate grid-charging impacts.

2. Add Conclusions of Law supporting permanent removal and recognizing enforceable operating limits:

It is reasonable to permanently remove the 150% storage power-rating limitation for qualifying NEM- and NBT-paired storage systems while maintaining applicable metering, interconnection, and safety requirements.

It is reasonable to determine the need for grid upgrades based on a storage system's authorized grid-facing operating limits, including certified PCS export limitations and applicable import limitations, rather than relying solely on installed nameplate capacity. Customers should not face unnecessary restrictions on installed storage energy capacity where enforceable operational limits sufficiently address potential grid impacts.

3. Modify Ordering Paragraph 2 and Ordering Paragraph 6 of D.20-06-017 to permanently remove the sizing limitation:

Replace the proposed modified Ordering Paragraph 6 with:

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each submit an Advice Letter within 30 days of the effective date of this decision proposing the tariff modifications necessary to permanently remove the 150% storage power-rating limitation for qualifying NEM- and NBT-paired storage systems while maintaining applicable metering and interconnection requirements. The utilities shall coordinate to ensure consistent implementation across their respective service territories.

Alternatively, if the Commission declines to adopt permanent removal, modify Ordering Paragraph 6 to provide that the exemption shall remain in effect until the Commission affirmatively adopts a subsequent decision modifying or reinstating the storage sizing limitation, rather than automatically expiring January 1, 2030.

4. Reconcile the cost-responsibility language and limit upgrade charges to necessary, attributable costs:
Section 5.2 concludes that additional evaluation is needed before adopting new cost-responsibility provisions, yet Ordering Paragraph 3 modifies Conclusions of Law 22 and 23 to impose such provisions. The Commission should reconcile this inconsistency by removing the new cost-responsibility language from the modified Conclusions of Law unless it expressly determines that new requirements are supported by the record.

If the Commission retains new cost-responsibility provisions, add a Conclusion of Law:
It is reasonable to assign customers responsibility only for the necessary, reasonable, and incremental grid upgrade costs directly attributable to their project's authorized operations, after accounting for certified PCS and other available mitigation measures. Charges should be transparently documented and reconciled with actual costs incurred, consistent with applicable tariffs. Exceeding the 150% storage power-rating threshold alone does not establish a need for grid upgrades or justify additional charges.

The Commission should also clarify whether any new cost-responsibility provision is limited to the class of systems smaller than 1 MW identified in CALSSA's Petition, rather than unintentionally expanding its applicability.

5. Add an Ordering Paragraph addressing PCS-based operational limits and avoided upgrades:
PG&E, SCE, and SDG&E shall evaluate certified PCS-based export limitations, and applicable import limitations, when determining whether distribution upgrades are necessary for paired storage systems exceeding 150% of the associated generator's power rating. Such determinations shall reflect the system's authorized operating capabilities and applicable safety and protection requirements. No upgrade shall be required solely because a storage system exceeds the 150% threshold where enforceable operating limits sufficiently mitigate the identified grid impacts. Any applicable upgrade charges shall be limited to necessary, reasonable, incremental costs attributable to the project, subject to documentation and reconciliation with actual expenditures under applicable tariffs.

6. Correct the decision references and reconcile Advice Letter requirements:
Correct references to D.20-06-012 in Ordering Paragraphs 1 and 2 to D.20-06-017.
Reconcile the conflicting Advice Letter requirements in Section 5.2, the proposed modifications to Ordering Paragraph 6 and Conclusions of Law 22 and 23 of D.20-06-017, and Ordering Paragraph 4 of the PD. The Commission should establish one consistent filing requirement and deadline, preferably a Tier 1 compliance Advice Letter within 30 days if the final decision specifies the required tariff modifications. The tariff provisions should expressly address both NEM and NBT systems.