

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

Order Instituting Rulemaking on the Commission's Own
Motion to improve distribution level interconnection
rules and regulations for certain classes of electric
generators and electric storage resources

Rulemaking 11-09-011
(Filed September 22, 2011)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE FINAL DECISION GRANTING JOINT MOTIONS TO APPROVE
PROPOSED REVISIONS TO ELECTRIC TARIFF RULE 21 FOR
PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA
EDISON COMPANY, AND SAN DIEGO GAS AND ELECTRIC COMPANY**

Donald C. Liddell
DOUGLASS & LIDDELL
2928 2nd Avenue
San Diego, California 92103
Telephone: (619) 993-9096
Facsimile: (619) 296-4662
Email: liddell@energyattorney.com

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ hereby submits these reply comments on the *Final Decision Granting Joint Motions to Approve Proposed Revisions to Electric Tariff Rule 21 for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company*, issued by Administrative Law Judge Maribeth A. Bushey on February 16, 2016 (“Proposed Decision”).

¹ 1 Energy Systems Inc., Abengoa, Advanced Microgrid Solutions, AES Energy Storage, Aquion Energy, ARES North America, Brookfield, Chargepoint, Clean Energy Systems, CODA Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Duke Energy, Dynapower Company, LLC, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, ELSYS Inc., Energy Storage Systems, Inc., Enersys, EnerVault Corporation, Enphase ENERGY, EV Grid, Flextronics, GE Energy Storage, Green Charge Networks, Greensmith Energy, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, IMERGY Power Systems, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, K&L Gates, LG Chem Power, Inc., LightSail Energy, Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Manatt, Phelps & Phillips, LLP, Mitsubishi Corporation (Americas), Mobile Solar, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, Powertree Services Inc., Primus Power Corporation, Princeton Power Systems, Recurrent Energy, Renewable Energy Systems Americas Inc., Rosendin Electric, S&C Electric Company, Saft America Inc., Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Sony Corporation of America, Sovereign Energy, STEM, SunEdison, SunPower, Toshiba International Corporation, Trimark Associates, Inc., Tri-Technic, Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>).

I. INTRODUCTION.

In its Opening Comments, CESA advocated for a successor distributed generation and energy storage interconnection proceeding for a number of outstanding energy storage interconnection issues that have yet to be addressed by the Commission. Opening Comments filed by other parties reinforce and bring added urgency to CESA's recommendation and also raise several additional points that are of vital importance to CESA's member companies that were not specifically addressed in CESA's Opening Comments.

II. THE COMMISSION SHOULD IMMEDIATELY OPEN A SUCCESSOR PROCEEDING TO ADDRESS INTERCONNECTION ISSUES AFFECTING ENERGY STORAGE.

CESA shares the concern expressed by Enphase and other parties, with the Proposed Decision's determination to close this proceeding without any indication that there will be a successor proceeding to address the range of outstanding interconnection issues that still need to be addressed. There are a number of issues, beyond those that CESA has already identified that further demonstrate a strong need to open a successor proceeding as soon as possible, including:

- Consideration of Phase 2 recommendations from the Smart Inverter Working Group.
- Consideration of how the ICA can be used in Rule 21 to further streamline the interconnection process.
- Addressing unresolved issues related to establishing an inadvertent export threshold.
- Coordination with the California Independent System Operator ("CAISO") on jurisdiction questions that may impact interconnection requirements and metering for behind the meter systems that may wish to participate in the wholesale markets.

The Proposed Decision would essentially predetermine that all of the listed issues can be adequately addressed in other Commission proceedings, or can be addressed in motions

submitted by parties.² CESA does not believe that, absent strong Commission leadership to come together and produce workable solutions for these issues in a specified time frame there will be any meaningful progress on any of these issues.

III. THE COMMISSION SHOULD ASSURE THAT SMART INVERTER WORKING GROUP RECOMMENDATIONS ARE CONSIDERED IN A TIMELY AND ACTIONABLE MANNER.

CESA supports the thrust of the comments by Enphase Energy, especially the need to consider Smart Inverter Working Group (“SIWG”) recommendations in an appropriate venue. CESA specifically agrees that communication standards, system level controls, and advanced inverter use cases all require further refinement.³ CESA is convinced that the best venue would be a successor proceeding because the Rule 21 tariff sets the technical requirements for inverters and thereby facilitates standardization. Discussions regarding needed revisions to the Rule 21 tariff, such as SIWG’s recommendation for mandatory requirements for communication functions, should be addressed in a successor proceeding to ensure broad and relevant stakeholder input.

However, CESA is concerned that a lengthy stakeholder process would also potentially lead to an unnecessary delay in acting upon some of the SIWG important recommendations. CESA supports a robust stakeholder process that should be considered in a timely fashion. Rather than discussing the conceptual benefits of advanced inverter functionality, CESA recommends quick and timely resolution of the SIWG recommendations to ensure that tangible benefits emerge and are measured. In particular, some of the SIWG’s technical recommendations can be implemented in parallel with the other issues related to advanced

² Unfortunately *none* of these issues are within the scope of any Commission proceeding at this time or are proposed to be included in the foreseeable future.

³ Enphase comments, p. 4.

inverters, such as the compensation mechanisms.⁴ CESA sees no need to delay implementation of all SIWG recommendations until the entire list of issues related to advanced inverters is resolved.

IV. THE COMMISSION SHOULD REQUIRE TIER 2 ADVICE LETTERS TO BE SUBMITTED FOR ADOPTION OF ALL POLICIES AND PROCEDURES RECOMMENDED IN THE PROPOSED DECISION.

A number of parties raise concerns regarding the Proposed Decision’s extensive reliance on Tier 1 Advice Letters or no formal process at all for purposes of codifying a number of reforms consistent with the Joint Motions.⁵ CESA agrees with these parties and recommends that Tier 2 Advice Letters, requiring Energy Division Staff approval, be filed instead of ministerial Tier 1 Advice Letters or submitted without any formal stakeholder review at all, as the Proposed Decision suggests. This modest but important change is critical due to the importance and materiality of the changes on interconnection for project developers. For example, the Interconnection Guides in setting the thresholds for “cursory review.” It should be obvious that the thresholds set in the Interconnection Guides require a robust level of review in the form of a Tier 2 Advice Letter. The Proposed Decision currently provides no formal stakeholder engagement at all for this item, instead simply requiring the utilities to “publish and serve first Interconnection Guide.”⁶ More broadly CESA advocates that *all* Advice Letters resulting from the Commission’s final decision should be reviewed by Energy Division staff. Other examples mentioned in the Proposed Decision that merit a Tier 2 Advice Letter filing include the following:

⁴ Enphase Comments, p. 3.

⁵ Robert Bosch LLC comments, p. 3, SolarCity Comments, pp. 4, 6.

⁶ Proposed Decision, Attachment D – Filing Schedule.

- Submission of revised application and agreement to capture load related information.
- Submission of expedited interconnection process.
- Submission of inadvertent export option.

V. **THE COMMISSION SHOULD ORDER THE UTILITIES TO NEGOTIATE THRESHOLDS FOR INTERCONNECTION REVIEW WITH INTERCONNECTION APPLICANTS.**

CESA agrees with SolarCity's proposal that the utilities should be required to work with interconnection applicants to identify specific thresholds they need to stay within in order to avoid upgrades. Additionally, as SolarCity further suggests, this constrained operational mode should eventually be added to the list of operational modes that developers can pre-select at the time of application submission with the project studies accordingly, or allowed to move ahead without further study. The ability to select this option is something that SolarCity observes should be enabled by the development of the Integration Capacity Analysis and its incorporation into Rule 21. This proposal further underscores the need for a successor proceeding to address energy storage interconnection issues.

VI. **CONCLUSION.**

CESA appreciates the opportunity to submit these reply comments and looks forward to working with the Commission and parties in a new successor proceeding focused exclusively on energy storage interconnection issues.

Respectfully submitted,



Donald C. Liddell
DOUGLASS & LIDDELL

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE

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