



## **I. MOTION FOR LEAVE TO FILE REPLY COMMENTS**

Each of the California Utilities previously moved to intervene in this docket and filed substantive comments or a protest.<sup>3</sup> The California Utilities were also each party to the Rule 21 Settlement, which, as noted above, dealt with issues related to the interconnection of small generators in California. Because the SEIA Answer mischaracterizes certain aspects of the Rule 21 Settlement, the California Utilities respectfully request leave to submit this pleading, because it provides information that the California Utilities believe will aid the Commission's decision-making process regarding the SEIA Petition.<sup>4</sup>

## **II. REPLY COMMENTS**

The SEIA Petition addressed a number of issues regarding alleged barriers to the interconnection of solar generation, each of which was addressed in the separate pleadings submitted by the California Utilities. However, the SEIA Answer states that the California Utilities, among others, have agreed to “a California interconnection Settlement whose central element is a 100% of minimum daytime load supplemental solar fast-track screen similar to that proposed by SEIA in its Petition.”<sup>5</sup> While SEIA can argue the referenced screen was “central element” to the Rule 21 Settlement for SEIA, it has no basis for concluding that such provision was a “central element” for the California Utilities. The Rule 21 Settlement resulted from a comprehensive review of distribution-level interconnection procedures that had been in place for over a decade and makes significant changes to the pre-existing Rule 21 Tariff that are unrelated

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<sup>3</sup> See Motion to Intervene and Comments of So. Cal. Edison Co.,” Docket No. RM12-10-000 (filed March 27, 2012); “Motion to Intervene and Protest of San Diego Gas & Elec. Co.,” Docket No. RM12-10-000 (filed Mar. 27, 2012); Motion to Intervene and Comments of Pacific Gas and Electric Co., Docket No. RM12-10-000 (filed Mar. 27, 2012).

<sup>4</sup> See, e.g., *Consumers Energy Company*, Order Granting Application To Terminate Mandatory Purchase Obligation, 139 FERC ¶ 61,069 (2012) at P 13.

<sup>5</sup> SEIA Answer at 12.

to the Fast Track Process under Commission-approved tariffs . The SEIA Answer also implies that at least some of the California Utilities have taken inconsistent positions by supporting the Rule 21 Settlement while opposing the SEIA Petition.<sup>6</sup> This implication mischaracterizes the nature of the Rule 21 Settlement in which all parties to that settlement “expressly reserve[d] [their] right[s] to advocate in other proceedings positions, principles, assumptions, defenses, arguments, and methodologies which may be different than those underlying this Settlement Agreement.”

These Reply Comments cover two important points relevant to the Commission’s consideration of the Petition. First, they explain how the provisions of the Rule 21 Settlement, particularly its provision regarding a screen based on 100% of minimum load, differ significantly from the proposal in the SEIA Petition. Second, they explain why the circumstances surrounding the California Settlement render it an inappropriate starting point for future Commission action in this docket.

The SEIA Answer acknowledges that a technical conference is appropriate, but only if such a conference is effectively used as a way of endorsing its preferred solution to an alleged problem whose scope remains unclear.<sup>7</sup> As suggested in many of the original comments and protests filed in this docket, the California Utilities respectfully submit that a Notice of Proposed Rulemaking (“NOPR”) is premature and that the changes SEIA is requesting are already available through the Supplemental Review in the Small Generator Interconnection Procedures (“SGIP”).

**A. The Rule 21 Settlement Differs Significantly from the Relief Sought in the SEIA Petition**

California has been a leader in solar generation and addressing the technical and regulatory challenges it poses. As described in comments submitted by the CPUC in this docket, the Rule 21

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<sup>6</sup> *Id.* at 12-14.

<sup>7</sup> SEIA Answer at 25 (“SEIA supports a technical conference, but not if it is conducted in lieu of . . . a notice of proposed rulemaking.”).

Settlement arose from a process initiated by the CPUC to update its interconnection rules -- which include the 15% threshold -- that were initially adopted by the CPUC in 2000 in its Rule 21 Tariff.<sup>8</sup> The 15% threshold challenged by the SEIA Petition was adopted by the CPUC to ensure an easily administrable and appropriately conservative threshold for screening interconnection proposals that could be implemented without the need to initiate a technical study to determine the requirements needed to interconnect a generator to the grid safely and reliably.

In September 2011, the CPUC initiated a process to consider improvements to its Rule 21 Tariff. That process remains ongoing. The Rule 21 Settlement, submitted for CPUC approval on March 16, 2012, concluded only an initial phase of the process to reform the CPUC's interconnection rules. The Rule 21 Settlement specifically contemplates further revisions to the Rule 21 Tariff in a Phase 2 process that the parties anticipated would be conducted as public rule-making.<sup>9</sup> The compromises reflected in the Rule 21 Settlement are explicitly linked to the resolution of additional substantive concerns to be evaluated in the Phase 2 process. Thus, as an initial matter, the Rule 21 Settlement does not represent the ultimate solution of how to improve the interconnection in process in California. SEIA's implication that a general consensus exists regarding the obsolescence of the 15% threshold across the board is incorrect.

Of even more significance to the instant proceeding, the SEIA Petition fails to acknowledge that the "100% of daytime minimum load" screen is not a free-standing alternative to the well-established 15% of peak load screen.<sup>10</sup> The process established in the Rule 21 Settlement

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<sup>8</sup> Motion to Intervene and for Leave to File Comments Out of Time And Comments of the Public Utilities Commission of the State of California, Docket No. RM12-10-000 (filed April 9, 2012) ("CPUC Comments") at 4-5.

<sup>9</sup> See Attachment B to Rule 21 Settlement (identifying issues reserved for resolution in Phase 2).

<sup>10</sup> Footnote 1 to the SEIA Answer states that "[a]ny reference to the 100% of minimum daytime load supplemental screen in this answer should be read to include the California settlement penetration test as well as the power quality & voltage fluctuation, safety and reliability screens." (continued...)

provides for three additional required screens *if the 15% of peak load screen is failed*. In addition to a carefully delineated 100% of minimum load test (designated as Screen N), the proposed Revised Rule 21 Tariff includes additional “Power Quality and Voltage Tests” (Screen O) and Safety and Reliability Tests” (Screen P). Failure of *any* of these three screens causes a project to enter the study process. Thus, contrary to SEIA’s characterization, the “100% of daytime minimum load” test does not, in isolation, provide a determination that a generating project does not pose safety or reliability concerns.

Screen N as proposed in the Rule 21 Settlement contains two additional technical limitations that are not mentioned by SEIA. A key premise for using a 100% of minimum daytime load is the availability of minimum load data. The applicability of Screen N is limited to situations “where 12 months of line section minimum load data is available, can be calculated, can be estimated from existing data, or determined from a power flow model.”<sup>11</sup> The CPUC Comments acknowledge that Screen N was “carefully drafted to acknowledge certain challenges of collecting and storing minimum load data.”<sup>12</sup> The categorical rule proposed by SEIA would simply require the provision of minimum load data when the total distributed generation on a circuit is 10% or more of peak load and thus fails to acknowledge the widespread lack of minimum load data on many circuits and the costs required to create such data or meaningfully address the potential alternatives to actual minimum load data.

A second important technical aspect of Screen N that differs from the SEIA proposal is how distributed generation is calculated for purposes of determining whether 100% of minimum

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SEIA Answer at 2 n.1. That qualification is not included in the original Petition, nor is the substantive impact of those additional screens explained further in the SEIA Answer.

<sup>11</sup> See Revised Rule 21 Tariff at G.1.m.

<sup>12</sup> CPUC Comments at 7.

load has been exceeded. The SEIA proposal would limit applicability of the 100% of minimum load screen to all solar only projects and base the screen upon “100% of minimum daytime load for the period between 10 a.m. and 2 p.m.” SEIA Petition at 2. In contrast, Screen N is technology neutral and considers variation among solar technologies as well as non-solar technologies. For example, fixed-panel solar systems are evaluated versus a daytime minimum load as calculated from 10 AM to 4 PM, while systems with tracking systems are required to use a broader 8 AM to 6 PM window. For all other (i.e. non-solar) generation the relevant threshold is determined based on the operational characteristics of the project. These technical differences are important to the implementation of the screen, yet are not addressed in the SEIA Petition and are not suitable for immediate rulemaking.

Lastly, the “100% of minimum daytime load” screen was agreed to within a framework of strict eligibility limits for the Fast Track process. In contrast, the Petition seeks to remove or at a minimum dramatically increase the capacity limitation for the Fast Track process, rendering the adoption of a 100% of minimum load screen even more problematic.

In sum, the minimum load screen is only one aspect of a number of interconnected revisions in the Rule 21 Settlement that are not addressed by the SEIA Answer,<sup>13</sup> but are critically important for the Commission to consider when assessing a simplified 100% of minimum load test as an alternative to the time-tested 15% of maximum load screen.

**B. The Proposed Revisions to the Rule 21 Tariff Are the Product of a Comprehensive Settlement Process**

It is vitally important to keep in mind that the Revised Rule 21 Tariff included in the Rule 21 Settlement represents a negotiated settlement, which necessarily incorporates tradeoffs among

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<sup>13</sup> For example, the Rule 21 Settlement proposed a Fast Track minimum load threshold for Exporting Generating Facilities with a Gross Nameplate Rating no larger than 3.0 MWs on a 12 kV, 16 kV or 33 kV interconnection for SCE, 1.5 MW on a 12 kV interconnection for SDG&E, and 3.0 MW on a 12 kV or higher interconnection for PG&E.

various stakeholders. SEIA's description of the minimum load screen as both "the heart of the Petition" (SEIA Answer at 2) and the "central element" of the Rule 21 Settlement inappropriately removes the minimum load screen from its overall context. The stakeholders in California did not include the minimum load screen in a vacuum. It was part of an overall settlement that included both additional protections to ensure grid security, as discussed in the previous section of these Reply Comments, and the expectation of further changes in Phase 2 of the CPUC-overseen settlement process. The SEIA Petition seeks to pick a single element of the Rule 21 Settlement as the starting point for proposing additional reforms to the SGIP well beyond what the Rule 21 Settling Parties agreed to. Many commenters, including the CPUC, noted how "removing Fast Track eligibility limits altogether may trigger a significant increase of applications, and slow the process down for all applicants." (CPUC Comments at 10). Rather than being the starting point for further expansion, the 100% of minimum daytime load screen should be seen by the Commission as it was seen by the California Utilities, part of an overall update of outmoded interconnection procedures.

### **III. CONCLUSION**

For the reasons set forth herein, the California Utilities respectfully request the Commission to grant this Motion for Leave to File Reply Comments. In addition to presenting an incomplete view of the Rule 21 Settlement, the SEIA Answer also makes other unsupported or incorrect statements about the merits of the Petition, which the California Parties also take issue with but understand will be addressed by other parties to the proceeding in a separate pleading. For example it is expected that other parties may point out that neither the Interconnection Screens Report nor the comments on the record demonstrate that the 15% screen is inherently a discriminatory market barrier or that there is a widespread problem with excessive upgrades, that SEIA's Answer fails to support its proposal to eliminate the 2 MW threshold or increase the

threshold to 10 MW for fast track interconnections, and that SEIA has not satisfied concerns that its minimum load data collection/disclosure proposals will avoid cost shifting. Additionally, it is expected that other parties may reaffirm their concerns regarding reliability and safety issues related to SEIA's proposals.

In light of these continuing factual questions, the California Utilities respectfully request that the Commission investigate the complicated issues posed by possible modifications to the SGIP through a technical conference or other procedure prior to initiating any rulemaking. In the absence of a common understanding of the scope of the alleged problem described in the Petition, a rulemaking would be premature and unlikely to advance the public interest.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2011), I hereby certify that I have this day served the foregoing document upon each person on the Commission's official service list for this proceeding.

Dated this 4th day of May 2012 at Washington, DC.

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