

**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.

R.11-09-011
Filed September 22, 2011

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON PROPOSED DECISION ADOPTING REVISIONS TO ELECTRIC
TARIFF RULE 21 TO INCLUDE A DISTRIBUTION GROUP
STUDY PROCESS AND ADDITIONAL REFORMS**

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

February 25, 2014

**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.

R.11-09-011
Filed September 22, 2011

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON PROPOSED DECISION ADOPTING REVISIONS TO ELECTRIC
TARIFF RULE 21 TO INCLUDE A DISTRIBUTION GROUP
STUDY PROCESS AND ADDITIONAL REFORMS**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the California Energy Storage Alliance (“CESA”)¹ provides these comments on the *Proposed Decision Adopting Revisions to Electric Tariff Rule 21 to include a distribution Group Study Process and Additional Reforms* issued by Administrative Law Judge Regina DeAngelis on February 5, 2014. (“Proposed Decision”).

I. INTRODUCTION.

CESA generally agrees with intent and purpose of the Proposed Decision, subject to certain reservations and qualifications regarding consistent use of defined terms and recognition of the trend toward various energy-related resources seeking direct access to wholesale energy markets set forth below.²

¹ 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>.

² CESA agrees with the comments of the Solar Energy Industries Association that quarterly would be preferable to semi-annual interconnection study groupings, and strike a fairer and more reasonable balance between the Southern California Edison and Pacific Gas and Electric proposals.

II. THE COMMISSION SHOULD CONFORM ITS DECISION TO THE STATUTORY DEFINITION OF DISTRIBUTED RESOURCES.

The Proposed Decision correctly acknowledges, “ the Legislative directive in Assembly Bill (AB) 327, effective January 1, 2014, directing the Commission to, among other things, identify barriers to the deployment of distributed generation under Rule 21.” (Proposed Decision, p. 2.). However, the Proposed Decision does not cite the definition of “distributed resources” set forth in the statute, namely: Public Utilities (P.U.) Code §769(a) “For purposes of this section, “distributed resources” means distributed renewable generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies.” This legislative definition requires that the text of the Proposed Decision, and the attached Form of Rule 21 attached to the Proposed Decision, be carefully reviewed to assure that they precisely conform to the language of AB 327 regarding specific treatment of energy storage in the context of interconnection of energy-related resources.³

III. THE COMMISSION’S DECISION SHOULD ANTICIPATE CHANGES TO THE CAISO’S TARIFF REQUIREMENTS.

The Proposed Decision, and the Form of Rule 21 attached to the Proposed Decision must be carefully reviewed to assure complete consistency with the language of the Wholesale Distribution Tariffs (“WDATs”) adopted by California’s utilities in compliance with the California Independent System Operator’s (“CAISO’s) tariff as it may be amended from time to time.⁴ This requirement is particularly important in view of the compliance filing the CAISO is required to file for approval by the Federal Energy Regulatory Commission (“FERC”) regarding

³ The current Rule 21 uses a custom designed term “Distributed Energy Resources.”

⁴ For example, the key term “Transmission Cluster Process” used throughout the Proposed Decision should be acknowledged as subject to change at any time.

generator interconnection requirements under Order No. 792 (effective February 3, 2014).⁵ The same scrutiny mandated by AB 327 must also be applied to the many references throughout the Proposed Decision and the Form of Rule 21 attached to the Proposed Decision, that relate to the provisions of the CAISO's tariff.

IV. THE COMMISSION SHOULD ALLOW INTERCONNECTION APPLICANTS TO FREELY TRANSFER BETWEEN RULE 21 AND WHOLESALE DISTRIBUTION PROCESSES WHILE RETAINING THEIR QUEUE POSITIONS.

It must be anticipated that transfer from a “distribution process” to a “transmission process” must, from an administrative standpoint, be able to happen seamlessly for both the utility and the interconnection applicant. In other words, utility processing an interconnection must be able to move directly from transmission to distribution, and *vice versa* at the request of the interconnection applicant without any impact on its queue position under any eventuality.

V. THE COMMISSION SHOULD ACKNOWLEDGE THE FACT THAT MANY DISTRIBUTED RESOURCES MAY WISH TO USE UTILITY WHOLESALE DISTRIBUTION TARIFFS TO INTERCONNECT DISTRIBUTED RESOURCES INSTEAD OF RULE 21.

The Commission should account for the increasingly apparent fact that transfer of utility processing of interconnection applications to and from the distribution and transmission level must at the request of distributed resource ownership anticipated for a variety of rapidly emerging energy policy reasons. The Commission should acknowledge the fact that many distributed resources are now, and in the future will be, designed to provide ancillary services to the CAISO (and therefore must use a utilities' WDAT to gain access to the CAISO's wholesale

⁵ *Small Generator Interconnection Agreements and Procedures*, 145 FERC ¶61,159, issued November 22, 2013.

markets), while at the same time complying with Rule 21 requirements because they are interconnecting at the distribution level.

VI. CONCLUSION

CESA appreciates the opportunity to submit these comments on the Proposed Decision, and looks forward to actively working with the Commission and stakeholders in this proceeding.

Respectfully submitted,



Donald C. Liddell
DOUGLASS & LIDDELL
Email: liddell@energyattorney.com

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE

February 25, 2014