

Interconnection Discussion Forum

Q4 2021

Hosted by CPUC Energy Division Interconnection Team

September 22, 2021 | 1:00-4:00 PM

Held virtually via WebEx



California Public
Utilities Commission

Meeting Logistics

Today's agenda and slides have been distributed to the IDF participant list. If any updates are required after this meeting, they will be distributed again within the week.

All attendees (except panelists) are automatically on Mute.

If you have questions: unmute yourself, send them via **chat directly to Jimmy Mahady (CPUC Regulatory Analyst) or raise your hand.**

Ground rules

Interconnection Discussion Forum is structured to stimulate an honest dialogue and engage different perspectives

Interconnection Discussion Forum is expressly not part of the formal proceeding

Keep discussion respectful

Chat feature is only for Q&A or technical issues. Do not start sidebar conversations with panelists

Agenda

Note: If needed, we can truncate or extend timing below to accommodate for exchange.

1:00 – 1:10 PM – Welcome and Introduction (Lead Facilitator: Jimmy Mahady, CPUC Energy Division)

1:10 – 1:50 PM – D.21-06-002 OP 8 requires discussion on “the potential impact of distribution upgrades cost sharing to projects that are under the jurisdiction of the Federal Energy Regulatory Commission” (Lead Presenters: PG&E, SCE and SDG&E)

1:50 – 1:55 PM – Break

1:55 – 2:25 PM – SCE RCS-G Requirement & SCE Shutdown Scheduling Delay (Lead Presenter: Eva Wang, SunPower)

2:25 – 2:30 PM – Wrap up and next steps (Lead Facilitator: Jimmy Mahady, CPUC Energy Division)

Working Group 4 OP 8

Distribution Upgrade Cost Sharing

September 22, 2021



Ordering Paragraph #8

Ordering Paragraph 8:

No later than 120 days from the issuance of this decision, the members of the Interconnection Discussion Forum are directed to discuss the potential impact of distribution upgrades cost sharing to projects that are under the jurisdiction of the Federal Energy Regulatory Commission(FERC). Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall provide a report on the discussion and file and serve the report in this proceeding, no later than 30 days after the discussion occurs.

FERC jurisdiction

- Interconnection customers are free to apply for interconnection to utilities' Distribution System under Rule 21 (CPUC jurisdiction) or Wholesale Distribution Access Tariff (WDAT/WDT, FERC jurisdiction)
- Distribution upgrades that come out of WDAT/WDT studies retain FERC jurisdiction as to cost allocation, cost responsibility, and so forth

Interaction between R21 and WDAT in relation to DU

- Both Rule 21 and Wholesale Distribution Access Tariff (WDAT) interconnection studies allocate Distribution Upgrades in virtually identical fashion
- Fast Track, Detailed Study or Independent Study, Distribution Upgrades are allocated fully to the triggering project (“who triggers pays”)
- In cluster/group studies, Distribution Upgrades that are triggered by a single project are allocated to the single project (“who triggers pays”) whereas if triggered by a group of projects, the upgrades are allocated *pro rata* based on MW
- Clustering/group studies more equitably allocate the cost of Distribution Upgrades to projects that trigger the upgrades
- Inconsistent cost allocation between Rule 21 and WDAT tariffs could potentially result in
 - Un-leveling the playing field for Rule 21 versus WDAT processes
 - Creating jurisdictional challenges with a different set of rules for interconnections to the same Distribution System
 - Increasing subsidization of Distribution Upgrades for a certain set of projects from ratepayers

Nature of Distribution Upgrades

- Distribution Upgrades are defined in Rule 21 as follows:

Distribution Upgrades: The additions, modifications, and upgrades to Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the Distribution Service. Distribution Upgrades do not include Interconnection Facilities.
- The nature of Distribution Upgrades, which is widely understood by all industry participants is that
 - 1) Distribution Upgrades are often “lumpy”, and high-cost Distribution Upgrades are rarely constructed (triggering projects withdraw or downsize)
 - 2) Lumpiness creates a “free rider” scenario, whereby a later-queued generating facility could potentially benefit from an upgrade required by and financed by an earlier-queued generating facility.
 - 3) The benefit of some Distribution Upgrades are localized and obvious but in other cases the capacity benefit can be regional and/or difficult to determine with specificity

Nature of Distribution Upgrades (cont'd)

- The amount of “free ride” capacity is often short lived due to market forces. This happens in two ways.
 - First, generating facilities that trigger prohibitively costly Distribution Upgrades generally withdraw from the queue and such upgrades are either never built, or float to the next project that might trigger them.
 - Second, smart developers seek out interconnections in areas with excess capacity. In a highly competitive marketplace such as in California, such “excess capacity” situations that exist are eventually found and exploited by other participants.
- For every project that might find an opportunity for a “free ride” another project will find no such free ride and will be required to finance the next increment of capacity via Distribution Upgrades.
- The “free ride” situation is neither unfair or unduly burdensome to industry participants. Distribution Upgrades are a “cost of business”
- Clustering/group studies more equitably allocate cost of upgrades, but do not minimize the lumpiness of the upgrades

Break

SCE RCS-G Requirement / SCE Outage Scheduling Delay

Eva Wang

Manager of Interconnections and Incentives at SunPower

09.22.2021

SCE RCS-G Requirement

Issue

SCE requires a Remote Control Switch for Generation (RCS-G) or “gas switch” on the utility side for system exporting $\geq 1\text{MWac}$

Problems

- Customers are concerned about SCE shutting off their facilities, especially customers with critical facilities such as jails, hospitals, cold storage, etc.
- Costly: customers need to pay significant \$\$ for this upgrade
- Liability issues: This is an upgrade performed by SCE, however customers are required to provide due diligence in SCE owned switch yard, this may potentially cause liability issues.

Ask

- SCE to accept export limit relay ($< 1\text{MW}$) as an alternative in the short term
- SCE to perform due diligence with regards to this requirement
- SCE to provide exceptions for customers with critical facilities
- SCE to eliminate this requirement in the medium-long term

SCE Outage Scheduling Delay

Issue

Customers have experienced months of delay due to shutdown scheduling difficulties, especially during investigative shutdown scheduling.

Problems

- It took us 3 hours on the phone to get a SR number, and 1.5 months (with countless follow-up emails and calls) to get a confirmation, and another few days to get the invoice, and the outage dates have to be 4 weeks after the payment according to SCE.
- The 800 number is often busy and requires hours of await time
- Follow-ups are inefficient and labor intensive

Ask

- A more efficient way to get confirmation for outage scheduling, e.g., through an online portal, through an email, through a different number that's designated for this purpose
- SCE to monitor this process and timeline for more transparency and performance benchmark
- A formal channel for escalation if projects get delayed

Wrap up and closing thoughts

Please feel free to share additional feedback and questions with Jimmy.Mahady@cpuc.ca.gov

Thank you!

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