

June 23, 2017

VIA EMAIL

Ms. Mary Claire Evans
Analyst, Grid Planning and Reliability
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**Re Informal Comments of the California Energy Storage Alliance (CESA) Regarding
Staff Concept Paper for an Expedited Interconnection Dispute Resolution Process**

In accordance with the direction provided by Mary Claire Evans of the California Public Utilities Commission (Commission) on May 30, 2017, CESA respectfully submits these informal comments in response to questions provided in her email as well as CESA's general feedback on the program design elements of an expedited interconnection dispute resolution process.

Informal Comments by Section

CESA supports the implementation of an expedited interconnection dispute resolution process as authorized by Assembly Bill (AB) 2861. CESA finds the expedited process is necessary to ensure timely and fair resolution of interconnection disputes. In the below sections, CESA provides comments and feedback on each section as it is presented in the Staff Concept Paper.

Section 1: Proposed Expedited Process for Dispute Resolution

CESA finds most of what is proposed in Section 1 regarding the framework and steps for the Expedited Process, role of the technical advisory panel in reviewing disputes, and online access to information on the dispute to be reasonable and in compliance with AB 2861, but offers the following recommendations:

- **Eligibility for expedited dispute resolution:** The Staff Concept Paper defines the non-exhaustive list of disputes that may be considered eligible for the Expedited Process.¹ CESA recommends that the Staff Concept Paper also list disputes related to material modifications triggering a need for interconnection re-study processes. Differing interpretations of what constitutes a material modification may be a source of dispute between applicants and the distribution utility.²
- **Sub-Panel selection:** The Staff Concept Paper provides that the selection of four members from the Review Sub-Panel should not have any conflicts of interest with the applicant or the distribution utility,³ but there is no clarity on the process by which

¹ Staff Concept Paper, p. 9.

² Rule 21 tariff Section F.3.b.v and Section F.3.c.vii.

³ Staff Concept Paper, p. 11.

the four members are selected. Given that the bill requires that the broader Interconnection Dispute Resolution Panel consists of four utility and four non-utility members, a similar composition for the Review Sub-Panel would be appropriate (*i.e.*, two utility and two non-utility members). The intent of this requirement for the broader Interconnection Dispute Resolution Panel is to ensure a balanced perspective on the interconnection process where expediency, grid safety and reliability, and cost allocations are equally factored into the review of interconnection applications. A similar balance in perspective is warranted for the Review Sub-Panel to evaluate specific disputes. The process by which to select the two utility and two non-utility members can be done through randomized selection, after accounting for conflict of interest issues.

- **Initial response from the utility:** The Staff Concept Paper proposes to allow the distribution utility to present its view on the dispute within three business days in response to the applicant's submission. As currently proposed, the utility's response appears to be only made available to the Commission and the assigned Sub-Panel. In the interest of making the overall Expedited Process publicly available and accessible, CESA recommends that the proposal be revised to ensure that the initial utility response is also be circulated on the distribution lists and made available on the Docket Card. This may have been the intent of the proposal, and if so, CESA recommends that this point be explicitly clarified.
- **Submitting comments on Sub-Panel recommendations:** The Staff Concept Paper outlines an important opportunity for utilities and the applicant to provide their feedback on the Sub-Panel's recommendations, which are needed to correct any misrepresentation or misunderstanding of the facts of the dispute and provide an additional perspective from interested parties to better position the Executive Director to make an informed decision. CESA suggests that the timeline for the commenting period be amended to clarify that opening comments to the Sub-Panel's recommendations may be submitted before the ten-day deadline and that reply comments should be filed within five business days of the filing of opening comments (instead of within five business days of the date the opening comments are due). Depending on the dispute, the applicant may wish to resolve the dispute more expeditiously and/or may want to provide the Executive Director with sufficient time to evaluate and resolve the dispute.
- **Incorporation of results from previous resolutions:** A critical missing piece in the Expedited Process is the opportunities to learn and iterate on previous interconnection disputes and issues. The Staff Concept Paper should explicitly consider how previous resolutions can be incorporated into the Expedited Process. These learnings may be discussed in the proposed Rule 21 Working Group or they may be incorporated in the Review Sub-Panel's review of interconnection disputes as part of a feedback loop. CESA recommends that the Rule 21 Working Group review the results from previous resolutions to determine which ones may be eligible for formal rulemaking to be considered for memorializing in interconnection forms and/or Rule 21. In this way, the number of interconnection disputes may be reduced.

Section 2: Interconnection Dispute Resolution Panel

CESA generally supports the governing structure for the technical advisory panel as laid out in Section 2, including member selection processes, terms of appointment, and conflict of interest rules. In addition to the Sub-Panel selection process, CESA adds one recommendation:

- **Selection of members not from utilities:** The Staff Concept Paper requires that the investor-owned utilities to nominate qualified employees within their companies to serve on the panel, from which the Executive Director will select members of the Interconnection Dispute Resolution Panel. However, a similar nomination process is not outlined in the Staff Concept Paper for non-utility members. CESA recommends that the Commission should be open to a public nomination process for non-utility members to be submitted by stakeholders. While the Commission does not necessarily have to be restricted to the nomination pool to select non-utility members, CESA believes that the Commission will benefit from key stakeholders identifying and vouching for qualified individuals who also have the technical expertise to effectively and efficiently serve on this panel.

Section 3: Proposed Tariff Revisions to Rule 21

CESA has no comment on the proposed tariff revisions to Rule 21 in order to integrate the expedited dispute resolution process into the Rule 21 process workflow.

Section 4: Program Evaluation

CESA supports the methodological guidelines for evaluating the Expedited Process' performance in shortening interconnection timeframes, reducing uncertainty in the interconnection process, and reducing project interconnection costs. The evaluation metrics outlined in Section 4 largely capture the key criteria for evaluating the effectiveness of the Expedited Process. CESA would add two key recommendations for program evaluation:

- **Qualitative analysis of interconnection disputes:** Most of the criteria for measuring program performance and impact are tied to quantitative metrics on dispute resolution usage, expediency, administrative cost, and interconnection cost savings. CESA would add that the Commission also considers qualitative analysis in its program evaluation efforts to identify key themes of the nature of these interconnection disputes, as these would inform the scope of formal policy-related proceedings, such as a potential successor proceeding to R.11-09-011. If a certain issue consistently reappears in the dispute resolution process, it may indicate that it is an industry-wide issue that warrants full stakeholder review through a formal proceeding to develop solutions. For example, it may point to a need for standardization or broader revisions to Rule 21.

Attachment A: CPUC Staff Straw Proposal for a Rule 21 Working Group

CESA supports the re-convening of the Rule 21 Working Group to informally resolve and/or prevent disputes, and foster proactive, constructive communication between utilities,

developers, and other impacted stakeholders about interconnection-related issues. Individuals should also be eligible to be added to the Rule 21 Working Group, which has the potential to provide additional transparency and information flow, and may also serve to inform broader issues that may need to be addressed in a formal proceeding.

Responses to General Questions

1. Does the proposed expedited process improve upon existing methods for dispute resolution?

Yes, CESA believes that the proposed Expedited Process, with CESA's recommended changes above, will improve upon existing methods for dispute resolution. The process is clearly laid out with definitive timelines for dispute resolution by more independent experts, which will serve to improve interconnection certainty, reduce interconnection costs, and increase the transparency and fairness of the interconnection process.

2. To what extent will the proposed expedited process be used by interconnection applicants?

CESA cannot exactly measure how frequently or to what extent the proposed Expedited Process will be used by interconnection applicants, but it is an important option to provide greater interconnection cost savings and certainty, which would otherwise be left to open-ended bilateral negotiations.

3. What are the potential costs and benefits of the expedited process, and to whom will they accrue?

In addition to the benefits of the Expedited Process as highlighted in our response to Question 1, CESA believes that there may also be broader benefits to the industry at large. Since the process allows for "interested parties" to submit comments on any given dispute, within the bounds of the proposed confidentiality rules, CESA believes that the process will also uncover broader interconnection process and policy issues that may need to be addressed in a formal proceeding. This process enables the additional benefit of being able to avoid or further streamline future interconnection disputes from multiple other applicants facing the same interconnection disputes.

As for the potential costs, CESA believes that these will be limited given the limitations on the aggregate number of hours allowed to be spent on any given dispute. By adhering to these work hour and 60-day timeline restrictions, the potential costs should be reasonably contained, while the benefits should be significant to applicants, ratepayers, and the industry in general.

Conclusion

CESA appreciates this opportunity to submit informal comments. CESA hopes to work collaboratively with the Commission and other stakeholders to improving the interconnection process and to establish a timely and fair interconnection dispute resolution process.

Respectfully submitted,

Jin Noh

Policy Manager
California Energy Storage Alliance
jnoh@storagealliance.org
510-665-7811 x109 (office)
703-507-8809 (mobile)

cc: Service List R.11-09-011