

September 6, 2022

CPUC Energy Division Tariff Unit
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Re: Protest of the California Energy Storage Alliance to Advice Letter 6682-E of Pacific Gas and Electric Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) hereby submits this protest to the above-referenced Advice Letter 6682-E of Pacific Gas and Electric Company (“PG&E”), *Modifications to Electric Rule 21 and Net Energy Metering Tariffs for Generation Facilities Greater than One Megawatt Interconnecting on Transmission Pursuant to Decision 22-07-001 Ordering Paragraphs 1, 3 and 4* (“Advice Letter”), submitted on August 17, 2022.

I. INTRODUCTION & BACKGROUND.

CESA appreciates the collaboration between stakeholders and the California Public Utilities Commission (“Commission”) on this issue regarding the interconnection of Net Energy Metering (“NEM”) systems to the transmission system. Originally the California Independent System Operator (“CAISO”) raised concerns surrounding, “large and transmission-connected resources interconnecting under Rule 21 and participating under net energy metering (“NEM”) tariffs,”¹ stating that, “[t]hese resources can have a significant impact on reliability and the wholesale markets.”²

After considering the record, the Commission determined that NEM generating facilities greater than 1 megawatt (“MW”) should interconnect under the CAISO’s Open Access Transmission Tariff (“OATT”). Importantly, the Commission also chose to protect mature projects that pursued Rule 21 Interconnection in good faith under the rules that were in place during the time the interconnection application was submitted. The Commission put in place a date of May 6, 2022, whereby projects with Permission to Operate (“PTO”) letters or “materially completed

¹ *Response of the California Independent System Operator Corporation to Administrative Law Judge’s Ruling Reopening Record to Consider the Modification of Decision 12-09-018 And Rule 21* filed by CAISO on April 23, 2021, at 1.

² *Ibid.*

interconnection application[s]”³ would be allowed to continue through the Rule 21 interconnection process. This is an important provision to maintain customer and business trust in Commission programs and tariffs. Separately, the Commission found that CAISO’s concerns surrounding safety and reliability were focused on larger resources above 1 MW and that “parties have raised no safety and reliability concerns with net energy metering generating facilities less than or equal to one megawatt in capacity interconnecting to the transmission grid.”⁴ Therefore, the Commission chose to not make any changes to the existing interconnection process for projects 1 MW and smaller, allowing them to continue to interconnect through Rule 21.

Upon review of the Advice Letter, CESA finds the proposed modifications to Rule 21 and the NEM 2 tariffs to be largely compliant, outlining that systems will still be able to participate in NEM even if interconnecting via the CAISO OATT and reflecting the grandfathering provisions in both the proposed Rule 21 and NEM tariff modifications.

However, CESA protests the Advice Letter on the grounds that PG&E should determine the 1 MW cutoff using the gross nameplate inverter rating for all inverter-based generating facilities, as PG&E’s current use of the California Energy Commission AC rating goes against the intention of Decision (“D.”) 22-07-001.

II. DISCUSSION.

A. **The 1 MW cutoff should be measured using gross nameplate inverter capacity.**

The basis of D.22-07-001 and the modifications made to the interconnection process of resources greater than 1 MW was safety and reliability. The Commission stated that “the instant decision solely involves the question of a modification to Decision (D.) 12-09-018 of R.11-09-011 and/or a modification to Rule 21 to *address safety and reliability concerns [emphasis added]*”⁵ In order to maintain safety and reliability, the Commission found it appropriate to have NEM facilities greater than 1 MW connecting to the transmission system interconnect via the CAISO OATT.

PG&E outlines in its NEM 2 Schedule that it will determine the 1 MW cutoff based on the California Energy Commission’s (CEC) AC rating for solar PV generators, the gross nameplate of the inverter for other inverter based generation, and the generator gross nameplate for non-inverter based resources. However, PG&E does not outline any rationale for treating solar differently from other inverter-based resources in the treatment of the 1 MW cutoff.

The methodology to determine system size for the 1 MW cutoff was not specified in the Decision. Given that the focus of the decision was on maintaining safety and reliability,

³ D.22-07-001 at Ordering Paragraph (“OP”) 1.

⁴ D.22-07-001 at 19-20.

⁵ D.22-07-001 at 3.

primarily by preventing large exports of NEM generation to the transmission system, the determination of the 1 MW cutoff should reflect these goals. Therefore, CESA recommends that system size be determined by gross nameplate of the inverter or inverters in the NEM system. Ultimately, it is the inverter on the NEM generating facility and paired storage that determines the amount of power that can be exported to the grid, not the CEC-AC Nameplate Rating. Additionally, the inverter gross nameplate rating is already used to determine other cutoffs regarding safety and reliability in Rule 21, such as determinations of telemetry needs.⁶

PG&E has already acknowledged this reasoning in their treatment of other inverter-based resources, and should remove the reference to the CEC-AC rating in its NEM 2 Schedule:

3. INTERCONNECTION: (Cont'd.)

For the purposes of the NEM2, NEM2V, and NEM2VMSH tariffs, the rating of the generating facility, for the purposes of comparing its size relative to the 1 megawatt (MW) limit*, will be determined based on:

~~(a) For each PV generator, the California Energy Commission's (CEC) AC rating;~~

~~(b) For each inverter based generator, the gross nameplate rating of the inverter; or~~

~~(c) (b) For each non-inverter based generator, the generator gross nameplate~~

In Rule 21, language can be added to the proposed footnote 2 in Section B.1:

[1] This requirement is not applicable to Net Energy Metering Generating Facilities with Permission to Operate letters received as of May 6, 2022, or proposed Net Energy Metering Generating Facilities with materially complete interconnection applications submitted as of May 6, 2022. The rating of the generating facility, for

⁶ PG&E's Rule 21 tariff at Section J.5, Telemetering (Sheet 224): "If the nameplate rating of the Generating Facility is 1 MW or greater, Telemetering equipment at the Net Generation Output Metering location may be required at Producer's expense."

September 6, 2022
Page 4 of 4

the purposes of comparing its size relative to the 1-megawatt limit, will be determined based on the gross nameplate rating of the inverter for each inverter based generator and the generator gross nameplate for each non-inverter based generator.

III. CONCLUSION.

Considering the above, CESA recommends that modifications and clarifications should be made accordingly. CESA appreciates the opportunity to submit this protest on the Advice Letter and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,



Jin Noh
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California Energy Storage Alliance

cc: Sidney Bob Dietz II c/o Megan Lawson (PGETariffs@pge.com)
Service list R. 11-09-011, R.17-07-007, and R.19-09-009