

Rule 21 Tariff / Process Overview

6/17/2015



Rule 21/WDAT Overview

	Rule 21	WDAT
Jurisdiction	<ul style="list-style-type: none"> CPUC 	<ul style="list-style-type: none"> FERC
Applicability	<ul style="list-style-type: none"> Generator/storage <i>retail</i> interconnections (transmission or distribution); <i>retail</i> solicitations or programs 	<ul style="list-style-type: none"> Generator/storage <i>wholesale</i> (CAISO market) interconnections to SCE's distribution grid
Tariff Owner	<ul style="list-style-type: none"> SCE 	<ul style="list-style-type: none"> SCE
CAISO Role	<ul style="list-style-type: none"> None (limited exceptions) 	<ul style="list-style-type: none"> Review transmission impacts
Study Process	<ul style="list-style-type: none"> Fast Track (FT), Independent (ISP), Group (DGSP) 	<ul style="list-style-type: none"> FT, ISP, Group
Deliverability	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Generator's option "energy only" or "fully deliverable" (RA eligible)
Queue	<ul style="list-style-type: none"> First come, first serve for ISP and FT (not linked to CAISO queue cluster) 	<ul style="list-style-type: none"> Cluster Study projects part of CAISO queue cluster
Costs	<ul style="list-style-type: none"> Generator pays study costs, direct connection costs, and distribution system costs (no refunds) NEMs don't pay application, study/distribution/transmission system costs 	<ul style="list-style-type: none"> Generator pays study costs, direct connection costs, distribution system costs (no refunds), and transmission costs (refunds per CAISO Tariff)
Regulatory Status	<ul style="list-style-type: none"> Active OIR for Distribution Interconnection 	<ul style="list-style-type: none"> No active rulemaking

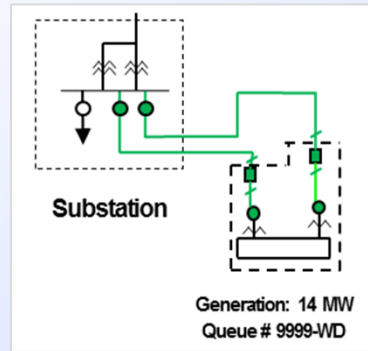
Rule 21 Background and Overview

- Rule 21 governs the interconnection, operation, and metering requirements for CPUC jurisdictional generating facilities
 - Rule 21 allows for interconnection of both export and non-export to utility grid
- The Commission in 2011 issued an Order Initiating Rulemaking (OIR) for Rule 21 in support of the governor's distributed generation goals
 - Rule 21 was significantly revised in late 2012 in a multi-party settlement to formalize study process/agreements, place formal timelines to remove non-viable generators and additional public disclosure of Rule 21 queue and related tariff timelines
 - Phase 2 of the OIR was initiated in late 2012 with proposed scoping of development of:
 - Distribution Group Study Process (DGSP) – Established in 2014
 - Enhanced Data Reporting - Established in 2014
 - Smart Inverter Technical Operating Standards – In Process
 - Interconnection Cost Certainty – In Process

Interaction of Rule 21 with CPUC Sponsored Programs and Proceedings

- Rule 21 supports Commission sponsored programs
 - Net Energy Metering (NEM)
 - Feed-in-tariffs – Renewable Market Adjusting Tariff (REMAT)
 - Self Generation Incentive Program (SGIP)
 - Local Government Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT)
- Rule 21 also supports other Commission actions including:
 - Distributed Generation (R.12-11-005)
 - Distribution Resources Plan (R.14-08-013)
 - Storage Procurement
 - Preferred Resources Project (SCE)
- Rule 21 does not allow developer to participate in wholesale markets

Interconnection Process Overview



Application Processing

- Forms
- Technical submittals
- Fee where applicable

Technical Studies

- Scoping Meeting
- Clarify project and procedures
- Agree on Point of Interconnection (POI)
- Agree on generator size

Interconnection Agreement

- Scope of facilities
- Financial responsibility
- Operational requirements
- Schedule milestones
- Financial Security and taxes

Project Implementation

- Engineering design
- Procurement
- Construction
- Project closeout

Rule 21 Study Process Highlights

Fast Track Process

- Screening process to determine if project can be interconnected without further study due to limited system impacts

Highlights

- If project passes Initial Review system screens, the project goes directly to cost estimate development and interconnection agreement circulation.

Independent Study Process (ISP)

- Detailed study of projects in serial fashion
- No size limit
- Available for Projects that are electrically independent from the transmission grid and other queued projects

Highlights

- System Impact Study and Facilities Study deposit: ≤ 5 MW \$10,000 for SIS, \$15,000 for FS, > 5 MW \$50,000 plus \$1,000 per MW; Max \$250,000.

Distribution Group Study Process (DGSP)

- Available for projects that are deemed electrically dependent to other queued projects
- No size limit
- Projects electrically dependent to the transmission grid would be studied under the WDAT

Highlights

- Two cluster windows (March and September)
- Project upgrade costs allocated amongst cluster based on contribution

Cost Allocation for distribution system costs for non-NEM generators are to the developer; transmission system upgrades identified under the WDAT would be subject to repayment upon commercial operation

Storage Interconnection Update

- Risks of reverse power flow and fault current contribution are created by non-exporting storage
 - IOU Rule 21 review is required to ensure for safe and reliable interconnection
 - Rule 21 does not review equipment/facilities that do not act as generation (and associated power flow and fault contribution)
- Discharging/Charging of Storage Can be Accommodated within Rule 21 Implementation
 - Storage was placed within Rule 21 as part of the 2012 multi-party settlement
 - Provides for efficient use of utility resources and provides delineated R21 study timelines
 - Cost responsibility allocations for load supporting upgrades could be accommodated within Rule 21 as akin to existing NEM specific Rule 21 provisions

Background

Rule 21 and Net Energy Metering Relationship

- Net Energy Metering was established in 1995 by Senate Bill 656 and codified in Section 2827 of the Public Utilities Code
- If a project is deemed eligible to enroll in one of the Net Energy Metering programs, they are exempted from Rule 21's standard fees, costs, and timelines
 - **Section D.13 outlines the expedited interconnection process:**
 - Customer is exempt from Rule 21 Queue for cost allocation purposes
 - They are still studied for safety and reliability via the Fast Track screens, but the process is assumed to conclude within **30 business days** of receipt of the following:
 - Complete NEM Interconnection Request, including all supporting documents and fees (such as Single line diagrams)
 - Complete and signed Interconnection Agreement (including any appendices)
 - Evidence of final electric inspection clearance from the Authority Having Jurisdiction (e.g., building permit or final approval)
 - **Table E.2 outlines cost responsibility:**
 - Exempt from application fee, study costs, distribution upgrades costs, network upgrade costs.