

White Paper Re: Workable Options for interconnection customers to transfer from Rule 21 Interconnection Request to a WDAT Interconnection Agreement.

Date: November 3, 2020

By: Gary Holdsworth, SCE Grid Interconnections & Contract Development

CPUC Decision 20-09-035 for Working Group 2 and 3 requires the following in Ordering Paragraph 33:

Pacific Gas & Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Utilities) shall use information web pages to educate customers on the transfer process between the Commission and federal interconnection processes. Utilities shall add reference language or a soft link within the Rule 21 tariff to these information web pages.

This white paper provides the information requested under Ordering Paragraph 33 and will be posted to the external interconnection web pages on SCE.com.

This document clarifies of the rules for projects wanting to transfer between the Rule 21 and Wholesale Distribution Access Tariff (WDAT) interconnection processes for SCE.

Discussion:

SCE allows Exporting¹ Rule 21 and NEM Interconnection Requests (IRs) to execute a WDAT Generator Interconnection Agreement (WDAT GIA), upon written request from the Interconnection Customer (IC).

SCE has been allowing this type of transfer request for a number of years, and this type of transfer was particularly popular when the CPUC-jurisdictional CREST program halted and in-flight Rule 21 projects sought to convert to a WDAT GIA in order to compete in non-CPUC wholesale procurement solicitations.

SCE does not believe the granting the transfer of an exporting Rule 21 IR to receive a WDAT GIA requires any alteration of either the Rule 21 or WDAT tariffs (other than the requirement in OP 33 to include a soft link to this document on information web pages). Both Rule 21 and WDAT tariffs cover interconnections to SCE's Distribution System, both study processes are largely identical, and the studies are performed by the same engineering teams within SCE, thus the plans of service for an exporting R21 and/or NEM IR should be sufficiently similar as to not create technical challenges in enacting this transfer. To date, SCE is not aware of any party that has claimed that such a transfer request is unfair or discriminatory, or that SCE's policy to grant such requests is unfair or discriminatory. SCE believes the IC should be enabled to request the type of Interconnection Agreement that best suits its purpose.

Rules/Detail:

There are a few rules, caveats and exclusions in regards to SCE's practice in implementing of this type of transfer request.

- 1) The request by a Rule 21 IR to transfer to a WDAT GIA must be made to SCE in writing.
- 2) SCE will evaluate the request for eligibility. Eligibility includes the following:

¹ As defined in Rule 21, an Exporting Generating Facility is any Generating Facility other than a Non-Export Generating Facility, NEM Generating Facility, or uncompensated Generating Facility. As SCE treats NEM as an exporting Generating Facility for purposes of this discussion, the lower case "e" herein refers to any facility (including NEM) that exports to SCE's Distribution System.

- a. The Rule 21 interconnection request is **exporting to the Distribution System** (with NEM also being considered in this bucket as an exporting [lower-case “e”] resource). This could include in-front-of-meter or behind-the-meter resources, the key point being that the resources have been studied as exporting to the Distribution System.
 - i. A note on non-export IRs:
 - 1. The study procedures are sufficiently different for non-export IRs, when compared to export IRs. Thus, SCE views non-export IRs as ineligible for a direct transfer to a WDAT GIA.
 - 2. For a non-export IR to be evaluated as an exporting IR, whether stand-alone or in an aggregation of other non-exporting IRs seeking exporting resource status, the IC would be required to submit a new, separate IR to be studied as an exporting resource.
 - 3. The new IR would receive a new queue position, it would not retain the same queue position as the original non-export IR(s).
- b. The Rule 21 interconnection request **has completed a “study process”** and is ready to execute an Interconnection Agreement.
 - i. A Study Process includes the passing of Initial Review, or passing of Supplemental Review, or
 - ii. Completion of a Detailed Study process, including System Impact and/or Facilities Study, or
 - iii. Completion of the Distribution Group Study process
 - iv. This requirement is non-negotiable, as the study (or successful screening) results form the basis for the plan-of-service outlined in the requested WDAT GIA.
 - v. Eligible Rule 21 IRs that are in the midst of a study process must complete that study process before requesting a WDAT GIA. For example, a R21 IR that requests transfer to WDAT in between System Impact and Facilities Detailed Study would be required to complete the Facilities Study prior to requesting a WDAT IR (or request to waive the Facilities Study and accept results of the System Impact Study as basis for its WDAT GIA).
- c. The IC **cannot propose to make any alterations to the facility**, such as facility size, inverters, operating parameters, point of interconnection, or make any other material change to its Rule 21 IR that proposes to transfer to a WDAT GIA, until after the WDAT GIA is executed. Modifications made after the WDAT GIA is signed/executed will be governed by the modifications provisions in the WDAT GIA.
- d. Miscellaneous:
 - i. To achieve wholesale generation status, the IC must separately apply for the CAISO New Resource Implementation process, as well as QF status under PURPA. SCE is not responsible for assisting the IC in those separate processes.
 - ii. Rule 21 IRs selecting the cost envelope option (CEO) are ineligible because there is no equivalent option in the WDAT, or such IRs would be required to forego/waive any requested CEO treatment of its study results and plan of service as consequence of its requesting a WDAT GIA.

- iii. Rule 21 IRs selecting Schedule RES-BCT are eligible for conversion to a WDAT GIA, but as there is no equivalent option in the WDAT for bill credit transfers, the IC would be required to forego any bill credit transfers upon conversion to a WDAT GIA.
 - iv. Similarly, NEM IRs, although eligible for conversion to a WDAT GIA, would be required to forego any NEM credits upon conversion to WDAT GIA.
 - v. IRs that convert to WDAT GIAs will be subject to all terms and conditions as currently constituted under the pro-forma WDAT GIA on file at FERC, this may include O&M rates, insurance provisions, etc. that may differ from the Rule 21 interconnection agreement.
 - vi. If a Distribution Service Agreement was required under the Rule 21 IR, the Customer must apply for Distribution Service, from the SCE Distribution System to the CAISO-controlled grid, by submitting a Distribution Service Request.
- 3) SCE will alert the IC in writing of eligibility for this transfer, which will outline the next steps. Typically, from a positive notice of eligibility, the IC will receive a draft WDAT Interconnection Agreement within the timelines prescribed in the WDAT GIP, 30 Calendar Days for the draft IA, and 120 Calendar Days for the negotiation period, from the date of eligibility notification.
- 4) SCE will assign a new WDAT ID number to the IR, and timelines of the WDAT will govern the process going forward, with the exception that the final accounting/true up of the previously completed interconnection studies will be performed as if the project remained Rule 21.
- 5) SCE will also allow transfers in the opposite direction (e.g., a WDAT IR that requests a R21 Interconnection Agreement). Section 4.9.1 of the WDAT GIP already allows for a one-time ability for an IR in the WDAT Cluster Study to request a Rule 21 IR following the completion of the Phase II study. This one-time transfer request does not appear in the Fast Track or ISP sections, but SCE would broaden the applicability of this type of transfer, subject to the same rules/eligibility stated herein.
- 6) SCE considers it reasonable to allow an IC to request transfer to the other tariff GIA, and if for some reason the new GIA doesn't work for the IC, the IC can go back to the initial tariff GIA. However, beyond a single U-turn, that would be the extent of number of the number of transfer requests that SCE would allow.