

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of: the Notice of Proposed
New Rule 746-700, Standards for
Interconnection of Electrical Generating
Facilities to Public Jurisdiction Under the
Public Service Commission

Docket No. 09-R312-01

Comments of Utah Clean Energy in Response to Changes in Proposed Rule
Submitted February 1, 2010

Utah Clean Energy, a 501(c)(3) non-profit organization, appreciates the opportunity to provide additional comments on the changes to proposed Rule 746-700, Standards for Interconnection (“Draft Rule”). We commend the Public Service Commission (“Commission”) on the Draft Rule and support the changes made to date. Some of our comments and recommendations below reflect those made in our previous comments filed for this docket on 09/30/09, and any further clarification on these issues can be found therein. The Draft Rule, with the incorporation of the additional changes, addresses safety and technical feasibility concerns of interconnected facilities, while helping remove barriers to the adoption of distributed renewable energy generation through the incorporation of national best practices for interconnection.¹ As such, we support the adoption of this Draft Rule and provide some recommendations for additional improvements for the Commission’s further consideration.

A. Comments on Changes to Draft Rule

Utah Clean Energy supports the changes to the Draft Rule and appreciates that some of our

¹ Accepted best practices for interconnection can be found in: *Freeing the Grid: Best and Worst Practices in State Net Metering Policies and Interconnection Standards, 2009 Edition*. Network for New Energy Choices, December 2009. Available at www.freeingthegrid.org. Regarding safety concerns, see Sheehan, Michael, P.E., *Utility External Disconnect Switch: Practical, Legal, and Technical Reasons to Eliminate the Requirement*. Solar America Board for Codes and Standards. September 2008. URL: http://www.solarabcs.com/utilitydisconnect/ABCS-05_studyreport.pdf and Coddington, M.H, Margolis, R.M., and Aabakken, J. *Utility-Interconnected Photovoltaic Systems: Evaluating the Rationale for the Utility-Accessible External Disconnect Switch*. National Renewable Energy Laboratory. January 2008. NREL/TP-581-42675.

recommendations from our 09/30/09 comments were incorporated. Specifically, we support the changes made to the following sections:

1. *Section R746-312-4* - Only minor edits were made to this section from the original draft rule issued in September, and Utah Clean Energy continues to support the provisions in this section that extend the disconnect switch exemption to all systems less than 10 kW to all customers. See below for additional recommendations on this matter.
2. *Sections R746-312-9(3)(a), R746-312-10(2)(e)(iv), R746-312-10(2)(f)(v) and R746-312-10(2)(g)(vi)* - Utah Clean Energy supports the proposed cap(s) on the total cost of study costs (equivalent to 125% of the non-binding good faith estimates) incurred by the customer for supplemental review and interconnection studies. These caps will help provide added customer protection while also giving the utility needed assurance of recovery of costs incurred. See below for recommendations regarding a cap on total costs for interconnection and upgrades.
3. *Section R746-312-10(2)(d)(iii)(B)* - Utah Clean Energy supports providing the option to the interconnection customer and utility to proceed directly to the system impact study if both parties agree. This provision may help save time and money if a feasibility study is deemed unnecessary for certain projects.

A. Recommendations

The Commission's proposed Draft Rule is a notable improvement over Utah's previous interconnection standards and we support its adoption. However, we recommend that the Commission consider incorporating the following additional improvements to the Rule, which reflect national best practices and address interconnection customer protections.

1. *R746-312-2(30)* - Utah Clean Energy suggests that the definition of the "standard form" and "standard form agreement" be revised slightly to read: "*Standard form*" or "*standard form agreement*" means a form or agreement adopted by the Commission which follows that adopted or approved by the Federal Energy Regulatory Commission in its small generator interconnection proceedings and modified to be consistent with these rules unless the governing authority has approved an alternative form or agreement." This minor change would establish the standard form(s) adopted by the

Commission (which would be a modified version of the FERC form(s) compliant with Utah's rules, as stated in the definition) as the starting point for any further adaptation by other utilities and their governing authorities. As such, each Utah utility would not have to take the time and resources to interpret and modify the FERC form(s) to ensure consistency with Utah's interconnection rules; rather, the Commission could modify the FERC form(s) and help prevent unnecessary confusion. The governing authorities would of course still be able to modify the Commission's standard forms and agreements, if deemed necessary and appropriate.

2. *Section R746-312-4* - For the sake of consistency and simplicity, Utah Clean Energy continues to recommend that the extending the exemption for disconnect switch requirement be extended to all inverter-based Level 1 interconnection systems (systems up to 25 kW).²
3. *Section R746-312-8(2)(c)* - Utah Clean Energy continues to recommend reducing the time period for a utility to send notification to the interconnection customer as to whether the interconnection request is complete; reducing this time period would help expedite the initial application process for Level 1 interconnection customers.
4. *Sections R746-312-10(2)(g)(iv) and R746-312-10(2)(g)(v)* – The Draft Rule provides that the utility shall approve the interconnection request if the interconnection customer agrees to pay for the upgrades identified in the facilities study, but the rule does not address cost. Since the costs of upgrades may be significant, it seems inappropriate to require the interconnection customer to agree to pay an uncertain amount. As such, Utah Clean Energy suggests including a provision to cap the amount that the customer pays for upgrades and interconnection at no more than 125% of the public utility's good faith estimate of these costs. Further, we suggest that the public utility be limited to billing for costs no sooner than 30 days before the cost is expected to be incurred since upgrades can take many months.

² For rationale on this recommendation, please refer to Docket No. 09-R312-01, Utah Clean Energy Comments, page 5-6. Submitted 09/30/09. URL: <http://www.psc.utah.gov/utilities/misc/miscindx/09R31201indx.html>

5. As mentioned in our 09/30/09 comments and in keeping with the Interstate Renewable Energy Council's recently released 2009 Model Interconnection Procedures,³ Utah Clean Energy continues to recommend that a fourth level of interconnection review be added to this rule to accommodate large, non-exporting distributed generation systems (typically installed on large commercial and industrial facilities). Given that these systems are inherently distinct from exporting systems with respect to their impact on the grid, accommodating these systems under a different review procedure would help save time and resources for all involved. Alternatively, the Commission could consider adding a clause to the rule to clearly identify which procedure the parties should follow in order to conduct a distinct review process of these types of systems (e.g. through a request to the commission, with approval from all parties, etc.).⁴

B. Conclusions

Utah Clean Energy appreciates the opportunity to provide comments and be involved in this effort, and we, again, commend the Commission's work on these draft interconnection rules.

Respectfully,

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³Interstate Renewable Energy Council, 2009 Model Interconnection Procedures, URL: <http://irecusa.org/wp-content/uploads/2010/01/IREC-Interconnection-Procedures-2010final.pdf>

⁴ For rationale on this recommendation, please refer to Docket No. 09-R312-01, Utah Clean Energy Comments, page 5. Submitted 09/30/09. URL: <http://www.psc.utah.gov/utilities/misc/miscindx/09R31201indx.html>