
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

Senator Steven Bradford, Chair

2023 - 2024 Regular

Bill No:	AB 1293	Hearing Date:	7/3/2023
Author:	Irwin		
Version:	6/19/2023 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Nidia Bautista		

SUBJECT: Interconnection: prioritization

DIGEST: This bill requires the California Public Utilities Commission (CPUC), no later than January 1, 2025, to provide guidance to electrical corporations for the prioritization of projects in each electrical corporation's distribution interconnection queue and for the prioritization of customer service connections.

ANALYSIS:

Existing law:

- 1) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical corporations. (Article XII of the California Constitution)
- 2) Authorizes the CPUC to establish an expedited distribution grid interconnection dispute resolution process, with the goal of resolving disputes over interconnection applications within the jurisdiction of the CPUC in no more than 60 days from the time the dispute is formally brought to the CPUC. (Public Utilities Code §769.5)
- 3) Requires an electrical corporation to permit any new or existing customer who applies for an extension of service from that electrical corporation to install an electric extension in accordance with the regulations of the CPUC and any applicable specifications of that electrical corporation. (Public Utilities Code §783)
- 4) Establishes guidelines for the design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions necessary to furnish permanent electric service. (Electric Rule 15)

- 5) Establishes guidelines for the design, cost allocation, and responsibilities of a project applicant and a utility for the extension of electric service from an investor-owned utility (IOU) distribution line. (Electric Rule 16)
- 6) The CPUC has issued and revised Electric Tariff Rule 21 establishing operational and metering requirements for a generation or storage facility to be interconnected to an electrical corporation's distribution grid. (Electric Rule 21)

This bill requires the CPUC, no later than January 1, 2025, to provide guidance to electrical corporations for the prioritization of projects in each electrical corporation's distribution interconnection queue and for the prioritization of customer service connections, including the prioritization of projects that are shovel-ready, as determined by the CPUC.

Background

Connecting to the electric distribution grid. Rules governing the ability of new buildings and generation and storage resources to connect to the electric distribution grid are generally determined by statute, CPUC rules, and tariffs, (i.e., document that specify rates, charges, rules, and conditions under which an electrical corporation will provide services to the public) for each of the electrical corporations. These service connections include:

Interconnections, which generally refers to the interaction of physical connection of an energy generation or storage device to the electric distribution system that is either in front of the meter or behind-the-meter. Interconnection is a defined term in utility tariff rules that generally describes an electric utility's physical connection to an external source of power.

Electric Tariff Rule 21 is a tariff that describes the interconnection, operating and metering requirements for generation facilities to be connected to an electrical utility's distribution system. The tariff provides customers who would like to install generating or storage facilities on their premises with access to the electric grid while protecting the safety and reliability of the distribution and transmission systems at the local and system levels. Each electrical corporation is responsible for administration of the rule in its service territory and maintains its own version of the tariff.

New service connections refers to extending an electricity line or expanding distribution infrastructure to service new or expanded customer load, known as "energization."

Electric Tariff Rule 15 (Distribution Line Extensions) relates to distribution line extensions. Specifically, new distribution facilities that are a continuation of, or branch from, the nearest available existing permanent distribution line (including any facility rearrangements and relocations necessary to accommodate the extension) to the point of connection of the last service. Rule 15 generally pertains to electric distribution grid equipment used by multiple customers, for example, a transformer serving multiple homes.

Electric Tariff Rule 16 (Service Line Extensions) relates to service line extensions. The overhead and underground primary or secondary facilities (including but not limited to utility-owned service facilities and applicant owned service facilities) extending from the point of connection at the distribution line to the service delivery point. Rule 16 generally pertains to network equipment used by just one customer.

Electric Tariff Rules 15 and 16 establish the guidelines for design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions. The ability to connect to the larger electrical system can take months (if not, years, in some cases) as the process can entail the need for designs, assessments on costs allocations associated with improvements on the electric distribution system to allow for the connection, and other issues. In the case of new building developments, depending on the size of the development, the need for electric service extensions may be needed in phases over months, or years.

Growing backlog of utility energization projects. The demands for new service connections and/or upgrades to existing distribution lines have been increasing, especially as California advances policies to deploy more electric vehicles, shift natural gas usages to electricity in buildings, and increase housing supply, including affordable housing. These projects all rely on access to the electric utility grid and, often require upgrades to the electric distribution system. Additionally, growing use of distributed energy resources behind and in front of the meter require connecting to the electric distribution grid. Moreover, the COVID-19 pandemic has created supply shortages and challenges affecting many sectors of the economy, including supply shortages for electrical equipment needed to connect new customers or expand energy load, such as transformers. Delays and challenges have been especially acute within the Pacific Gas & Electric (PG&E) service territory as the backlog for energization and interconnection projects has grown substantially and delays have increased. The utility has acknowledged the growing backlog of identified capacity work that has delayed – sometimes by years

– the in-service dates for new business customers. PG&E has shared that it is attempting to better manage their queue for projects. The utility recently formed a monthly Technical Committee work group with representatives from their labor partners, California Building Industry Association, and regional building association staff and members to work on all technical and field issues. These monthly meetings are used to provide updates on the actions underway to improve the new service connection process, the impacts of those actions and next steps. Additionally, these meetings are used to collaborate and collect feedback on the improvement efforts and to address emerging areas of concern or interest. Nonetheless, the backlog is a growing frustration for the project developers, customers, local governments, and others waiting to have their projects energized.

CPUC adopts resolution to address energization timing. In response to a proposal from the electric IOUs, the CPUC issued Resolution E-5247 in December 2022, which establishes an interim 125-business day average service energization timeline for projects taking service under the EV Infrastructure Rules. This timeline excludes projects that must go through Rule 15 for distribution upgrades, projects above two megawatts, and projects that require upgrades to a substation. The resolution directs the IOUs to collect one year of Electric Vehicle (EV) Infrastructure Rule implementation data to inform an updated proposal for a permanent service energization timeline.

Comments

Need for this bill? As the state adopts policies that require reductions in greenhouse gas emissions, including requirements to shift fossil fuels applications to electrification of transportation and other uses, there is a growing demand to connect to the electric distribution grid. As noted above, PG&E has a growing backlog of projects that need energization, and other utilities may face similar backlogs with growing demand. This bill requires the CPUC to provide guidance regarding the prioritization of projects awaiting to connect to the electrical grid. Such guidance could be useful, but should be tempered by the flexibility needed to address growing demands and fairness of the various project applications queues.

Amendments needed. **The author and committee may wish to amend this bill to remove the language stating “shovel ready” and replace with “in the final stage prior to construction,” as determined by the CPUC.**

Prior/Related Legislation

AB 50 (Wood, 2023) proposes policies to help address challenges related to connecting new customers or need to upgrade capacity for customers of electric IOUs. The bill is pending before this committee.

AB 643 (Berman, 2023) would have allowed the CPUC to impose fines for electrical corporations that routinely violate established interconnection timelines, and consider negligent exceedance of the timeline as a violation of CPUC rules subject to a maximum \$100,000 penalty per offense. The bill was held in the Assembly Committee on Appropriations on May 18, 2023.

AB 1482 (Gabriel, 2023) would have established an average service energization time for electric vehicle charging infrastructure of 125 business days for electric publicly owned utilities (POUs), and would require POUs to annually report certain information to the CEC regarding the service energization time for electric vehicle charging infrastructure projects. It would additionally require the CPUC and the CEC, in consultation with electric IOUs and POUs, to jointly host an annual public workshop to review and evaluate the information submitted and to revise, if needed, the average service energization time for EV charging infrastructure. The bill was held in the Assembly Committee on Appropriations.

SB 83 (Wiener, 2023) would have required the CPUC to establish time periods for electric IOUs to connect energization projects to the electrical distribution system. Additionally, would have required electric IOUs to compensate development projects for failing to meet the deadline. The bill was held in the Senate Committee on Appropriations.

SB 410 (Becker, 2023) requires the CPUC to maximum and average time periods for energization projects and requires the CPUC to authorize a mechanism to allow electric IOUs to recover costs from energization projects between general rate case proceedings. The bill is pending in the Assembly Committee on Utilities and Energy.

AB 1026 (Wood, Chapter 446, Statutes of 2019) required an electrical or gas corporation to apply only construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved. Authorizes an electrical or gas corporation to adopt modifications, as specified, of the construction and design specifications, standards, terms, and

conditions of a new extension of service project. The bill is pending in this committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

Clean Power Campaign

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

California will not be able to meet its clean energy and climate change goals if developers cannot get interconnected to the grid fast enough. AB 1293 would help solve interconnection delays by prioritizing shovel ready projects.

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