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**TECHNICAL REQUIREMENTS AND
INTERCONNECTION PROCESSES FOR
DISTRUBTED ENERGY RESOURCES
(DERS)**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

TEXAS SOLAR ENERGY SOCIETY'S RESPONSE TO QUESTIONS FOR COMMENT

The Texas Solar Energy Society (TXSES) appreciates the opportunity to prepare responses to the request for comments issued by the Public Utility Commission of Texas (PUCT) relating to its review of Distributed Energy Resources (DERs). These comments are submitted only on behalf of TXSES and do not necessarily reflect the opinions of its members.

For more than four decades, TXSES, a 501(c)3 organization, has been the pre-eminent statewide organization for small scale distributed solar developing free thought-leading, independent, fact-based information and quality educational materials that inspire innovation, share best practices, and inform decision-makers on the critical importance of sound, favorable solar policies that will grow the industry; protect clean air; build healthy, resilient communities; support local, well-paying jobs; and lay the foundation for energy independence.

TXSES provides a single response to Questions 2, 3, and 4.

Small DG interconnections, 50 kW or less, should be covered under a marginal interconnection allowance standard of no greater than \$300.00. These small systems, when properly installed and in compliance with applicable IEEE and ANSI standards, can offer significant benefits to not just the electric utility, but also the ERCOT markets. With ERCOT's forecasted load quickly outpacing available generation in Texas, distributed generation of less than 50 kW can mitigate the burden in meeting the demand requirements by shifting peak and providing generation available to residential and small commercial customers, without incurring congestion rent or market costs.

This small DG interconnection allowance should be representative of the required capital investment to support the requisite upgrades by the electric utility to support the marginal deployment of a small distributed generation customer, on a per distributed generation customer basis. This should be representative of the capital costs and projects that the electric utility would incur as related to normal customer growth and demand, and which they often retain the right to waive under their line extension policies. This flexibility must also be offered and extended to small distributed generation customers.

Additionally, any single system of this size rarely causes significant distribution system upgrades on their own, but rather in aggregate. However, in the application of many distributed generation policies and standards, it's the distributed generation customer that pushes the identified circuit or feeder "over the edge," with regards to reliability, in incurring the costs for those capital upgrades. Once these capital upgrades are completed, new distributed generation customers may apply to that circuit without concern for incurring those capital expenses. This, in effect, penalizes a single customer who must make the choice to either forgo distributed generation or pay for upgrades that benefit the entirety of the distribution circuit or feeder. This is an inherently unfair and poor policy.

The costs of implementing such a policy for the electric utilities is likely rounding error for the distribution rates. Outside of several areas, the marginal demand and concentration of small distributed interconnections are relatively small and require very little investment. Additionally, by utilizing a system averages methodology to develop the marginal cost of investment, the cost to the electric utilities should be exceptionally low, which should be equally reflected in the distribution rate impacts. However, using the same methodologies, if an electric utility required significant investment due to an explosion of small DG interconnections, the allowance could be appropriately reduced, recognizing the increased costs by the electric utility and appropriately assigning those to the interconnecting customers.

CONCLUSION

TXSES appreciates the opportunity to offer these comments and looks forward to working with PUCT Commissioners, Staff, and other stakeholders on these rules and their implications.

Respectfully,

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