



Filing Receipt

Filed Date - 2025-06-27 05:23:57 PM

Control Number - 54233

Item Number - 112



309 East 11th St., Suite 2 • Austin, Texas 78701 • 512.477.1155 • www.citizen.org

Public Utility Commission

Via Public Utility Commission online portal

June 27, 2025

Re: Distributed Energy Resource Interconnection Docket number 54233

Public Citizen appreciates the opportunity to provide these comments on the proposed distributed energy resource (DER) interconnection rules. We welcome the opportunity to discuss our recommendations further. Please contact Kaiba White at kwhite@citien.org or 512-477-1155.

Requirement for DER Interconnection Should Not Preempt Federal, State or Local Regulations

Additional exemptions to the interconnection requirement should be added to this rule. Noncompliance with federal, state or local regulations should necessitate disconnection of a distributed energy resource on either a permanent or temporary basis, as appropriate. Air emissions and other permitted limits from the Texas Commission on Environmental Quality or the U.S. Environmental Protection Agency, pipeline safety and other regulations from the Railroad Commission of Texas, and local zoning, noise ordinances, and building codes must all be complied with. If a distribution service provider (DSP) becomes aware that a DER would not comply (for proposed DERs) or is not complying (for existing DERs) with federal, state or local regulations on a repeated basis, they should be required to disconnect the DER.

While distributed energy resources have great potential to be beneficial to the electric grid, utilities and customers, some types of DERs also have the potential to be harmful to neighboring customers and communities. The benefits of grid interconnection should be balanced with other safety, environmental, community and quality of life concerns and regulations.

We recommend that the commission make clear that the right to interconnect does not apply to DERs that are not in compliance with federal, state and local regulations.

Fees to Allow for Efficient and Fair Deployment of DERs

There is often a finite amount of DER capacity that can be accommodated in a given area without investment in the local distribution system, such as upgrading a transformer. Currently, it is common that distribution system capacity for DER interconnections is awarded on a first come, first served basis. When an upgrade is needed, the DER operator whose system triggers the need for the upgrade must pay for it in full or forgo the DER interconnection. A better policy is to require all DERs to pay an appropriate fee based on export capacity, which will be saved in a dedicated fund and used for distribution system upgrades that are needed to allow for additional DER interconnections as those needs are triggered. This strategy would both be fairer and would increase the deployment of DERs.

We recommend that the commission add a provision to require distributed energy system operators to pay for the cost of needed upgrades to enable DERs and to allow them to collect a reasonable fee, based on export capacity, from all DERs. The “Contribution in aid of construction” section in the proposed chapter §25.210 should be removed if a system upgrade fee is charged to all DERs.

Impact Study for DERs Should be Completed in Timely Manner

The proposed timelines in this section are quite lengthy and could delay deployment of DERs. Customers often make decisions about investing in DERs in response to incentives available, and those incentives are frequently changing in response to politics and budget depletion. Also, lengthy timelines increase costs for DER providers and ultimately for customers.

We recommend a 60-day deadline for a DSP to complete the impact study, regardless of how many such studies are pending. DSPs can and should hire the appropriate number of staff to meet demand for DER interconnection. If quickly fluctuating demand is a concern, a temporary allowance could be made for exceeding 60 days to allow time to hire additional staff. The DSP should be required to request a temporary extension of the timeline from the PUC and should be required to retain an annual average of 60 days for completing impact studies.

Record Keeping and Reporting Should Include Timelines to Monitor Compliance

Distributed service providers should be required to keep records and report annually on the amount of time they take to approve each DER interconnection application and any required studies.

We recommend that “time to complete impact study,” “date energized” and any other relevant dates or timelines be added to the reporting requirements and standardized reporting spreadsheet.

Remove Special Treatment for Natural Gas Generators

Section (i) “Distributed natural gas generation facility” in the proposed chapter §25.210 is discriminatory. Natural gas generators should not receive preferential treatment. Additionally, it’s unclear what, if any, impact this provision would have on MOUs. Section (i) isn’t listed among the sections that apply to MOUs and electric cooperatives. It isn’t clear whether the energy produced by a facility interconnected under this section could be sold to a customer of an MOU that isn’t open to customer choice.

We recommend removing this section.

Open Access Tariff

The partial deregulation of all municipal electric utilities and electric cooperatives proposed in section (k) of chapter §25.210 is a significant change that goes beyond any legislative directive. This partial deregulation merits careful legal study and may have both positive and negative consequences. It merits a standalone debate.

We recommend removing this section.

Conclusion

Again, we appreciate the opportunity to provide these comments. If you wish to discuss the issues raised, please contact Kaiba White at kwhite@citizen.org, or 512-477-1155.

Respectfully,

Kaiba White

Climate and Energy Policy Specialist, Public Citizen