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PROJECT NO. 54233

TECHNICAL REQUIREMENTS	§	BEFORE THE
AND INTERCONNECTION	§	PUBLIC UTILITY
PROCESSES FOR DISTRIBUTED	§	COMMISSION
ENERGY RESOURCES	§	OF TEXAS

**GRID RESILIENCE IN TEXAS' COMMENTS IN RESPONSE TO COMMISSION
STAFF'S QUESTIONS
ON TECHNICAL REQUIREMENTS AND INTERCONNECTION PROCESSES FOR
DISTRIBUTED ENERGY RESOURCES**

Grid Resilience in Texas ("GRIT") appreciates the opportunity to provide reply comments in response to the questions included in the Public Utility Commission ("Commission") Staff's May 14, 2025, discussion draft and associated forms for Distributed Energy Resource ("DER") interconnection rules (§§25.210-25.212). GRIT is comprised of a group of leading flexible generation and microgrid companies, including Base Power Company, Bloom Energy, Enchanted Rock, Generac Power Systems, Mainspring Energy, and PowerSecure Inc. These companies represent projects that encompass a spectrum of sizes, from small-scale behind-the-meter ("BTM") assets to large generation facilities utilizing various technologies and fuel types. GRIT is improving energy reliability, resiliency, and affordability for Texans by leveraging innovative solutions and stacking value streams for services to the grid and to customers.

APPLICABILITY AND SCOPE

Threshold for Applicability

GRIT supports retaining the 250 kW threshold for distinguishing between interconnection processes for small and large systems. Oncor proposed raising the threshold to 1 MW, but added problematic complements of additional complexity for small systems that could make these projects unviable. GRIT could be supportive of increasing the threshold above 250 kW, but only so long as the proposed interconnection process for both small and large system remains substantially unchanged. CenterPoint Energy acknowledged the practicality of the 250 kW limit, and GRIT agrees it strikes a balance for streamlined treatment of lower-impact systems.

ERCOT's Role

Oncor added references throughout the rules requiring ERCOT approval of, or authorization for, DERs. Oncor also suggested that testing of protection systems and telemetry must be in response to ERCOT dispatch, and that testing must verify an established communication signal for telemetry to ERCOT specifically. Telemetry to ERCOT doesn't come into play unless the system is large or connected to a customer-owned substation. It's unclear what kind of ERCOT approval Oncor expects, and whether ERCOT supports these changes. GRIT recommends excluding these references.

Nameplate Capacity

GRIT supports ERCOT's recommendation to consistently use "nameplate capacity" but clarifies that this should refer to the Long Term Parallel (LTP) export capacity. LTP values reflect how the system will actually operate and are already used in grid impact studies, making them the most accurate and consistent basis for planning.

TIMELINES

Across multiple sections, utilities proposed either removing firm timelines or extending deadlines for application processing, pre-screen studies, and impact studies, in some cases with no explanation provided to the DER. They suggest replacing firm deadlines with "reasonable efforts," extending study timelines based on volume of applications, and deeming applications withdrawn without clear cure periods.

Timelines are a form of regulatory certainty and are critical for project planning and investment decisions. The current deadlines are achievable and necessary to prevent utilities from indefinitely delaying interconnection progress. GRIT recommends the Commission maintain current timelines and ensure accountability in processing times.

COST TRANSPARENCY

Multiple utilities proposed removing requirements to provide detailed or itemized cost estimates. GRIT opposes these removals. Transparent cost structures are essential for fair and predictable interconnection processes, especially for smaller DER developers.

Oncor suggests removing the language in Section (g)(3)(B)(i), requiring DSPs to reimburse the DER operator excess funds paid if the invoiced amounts are less than the sum of the CIAC plus any allowance provided in accordance with the DSP's tariff. GRIT recommends retaining this

language, but GRIT supports Oncor and CenterPoint's suggestion that the reconciliation obligation between the CIAC paid and actual costs should be mutual.

DISCONNECTION AND RECONNECTION

Upon discovery of a safety or reliability issue, Oncor proposes that a DER operator "must immediately notify the DSP" of a disconnection, and that the DSP "shall take reasonable steps to notify the DER operator" as soon as possible. This is unnecessary and circular. In the event the DSP initiates the disconnection, the DER should not then be required to notify the DSP of an event the DSP initiated.

Additionally, Oncor added language allowing a DSP to determine, unilaterally, whether a DER caused a safety or reliability issue and to require resolution before reconnection. GRIT recommends clarifying that safety or reliability issues should be jointly assessed by the DER operator and DSP, to avoid unfairly placing blame on the DER operator before the issue is fully understood.

Oncor also added authority for the DSP to require an updated application, new technical documentation, or additional studies following a disconnection. This would give DSPs unchecked discretion to impose requirements without a clear technical basis, potentially delaying reconnection indefinitely. GRIT recommends excluding these additions.

Oncor's proposed language in Section (d)(2)(F) would allow a DSP to disconnect a DER for "material modifications" and to require a restated interconnection agreement. This language risks penalizing DER operators for minor or non-impactful changes and opens the door to unique interpretations by each DSP, leading to disparate outcomes across the ERCOT region. GRIT recommends preserving the "like-for-like" exemption as is. Without this, DER operators may face unnecessary disconnection and re-study risk.

GENERAL DER ISSUES

Distribution Interconnection Allowance

GRIT strongly agrees with the Texas Solar + Storage Association and Solar Energy Industries Association that the Commission should revisit the potential for a standardized distribution interconnection allowance. As noted in our comments in Project 54224, current policy creates asymmetry between transmission and distribution assets despite both providing system-

level benefits. A well-scoped allowance would improve DER deployment—and therefore, reliability—across Texas.

Streamlined Process for <50 kW DERs

GRIT supports comments, including those from Base Power, advocating for streamlined processes for systems under 50 kW.

DERs and Safety

Texas Public Power Association (TPPA) suggested that the Commission should operate from a safety-first and reliability-first perspective, rather than seeking to “future-proof” its DER rules. GRIT emphasizes that enabling DER integration is not in tension with those goals. DERs are subject to rigorous standards and have consistently demonstrated safe operation. Planning now for increasing DER deployment will reduce complexity and cost in the long term.

Reporting Obligations

GRIT disagrees with TPPA’s recommendation that DER operators file annual reports directly to the Commission instead of DSPs. DSPs are far fewer in number, already possess the required data, and are responsible for administering the interconnection process. Under either proposal, the DER operator, the DSP, and the Commission will all have the reported information, so there is no data integrity or security benefit to bifurcating that process into two workstreams. Splitting responsibilities between DER operators and utilities would create confusion and inefficiencies.

“Preferential Treatment”

Texas-New Mexico Power suggested the proposed rules offer “preferential treatment” to DERs. This is a mischaracterization. The rule provides fair treatment and ensures DERs receive timely reviews, transparent costs, and clear rights. These are basic expectations in any legal framework for any regulated industry, including interconnection processes.

Shared Cost Fund

Public Citizen recommended replacing distribution upgrade expenditures with a fee-based shared fund according to export capacity. GRIT appreciates the intent but has concerns with feasibility. A pooled model could risk overcharging some DERs and undercharging others. GRIT is open to structured exploration of such a model but does not support removing the current CIAC framework at this stage.

TECHNICAL REQUIREMENTS

Align with IEEE 1547

GRIT supports broader alignment of utility technical standards with IEEE 1547 and its companion documents. As several parties indicated, this would standardize expectations, reduce redundant site-by-site requirements, and streamline DER integration statewide.

Fault Current Language

Oncor's requirement in Section (f)(8) that DERs above 2 MW must have "redundant means to disconnect that is capable of interrupting the maximum available fault current" is unclear. GRIT recommends removing or clarifying this language, and the definition of "redundant," to accurately reflect the intended grid protection objective.

COMMISSION-LED WORKSHOPS

Finally, GRIT respectfully requests that the Commission consider hosting one or more technical workshops following the close of comments. Given the complexity and evolving nature of DER interconnection issues, stakeholder workshops would provide a valuable opportunity for clarification, alignment, and collaborative problem-solving. These sessions could help ensure a more consistent and effective implementation of the final rule across all DER operators and DSPs.

CONCLUSION

GRIT appreciates the opportunity to submit these responses to Commission Staff's questions for comment on technical requirements and interconnection processes for DERs. As the Commission continues to move forward with Project Nos. 54224 and 54233 and related efforts, GRIT is committed to supporting the effort to ensure improved grid reliability, resiliency, and stability.

Respectfully submitted,

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EXECUTIVE SUMMARY, GRID RESILIENCE IN TEXAS (GRIT)

- GRIT supports keeping the 250 kW threshold, which strikes a practical balance for streamlined review of smaller systems. An increase could be acceptable only if interconnection processes remain unchanged for both small and large systems.
- GRIT recommends removing new references to ERCOT approvals and telemetry requirements, which are unclear, unnecessary for most systems, and not clearly endorsed by ERCOT.
- GRIT agrees with ERCOT's recommendation to use "nameplate capacity" and clarifies that this should refer to the Long Term Parallel (LTP) export value, which better reflects actual system behavior.
- GRIT opposes efforts to weaken or remove firm deadlines, which provide necessary certainty for developers and help prevent indefinite project delays.
- GRIT supports keeping itemized cost estimates and mutual reconciliation for CIAC payments, opposing utility proposals that would reduce transparency and predictability.
- GRIT recommends clarifying that disconnections should be jointly assessed and opposes provisions that would give DSPs unilateral authority to delay reconnection or require unnecessary reapplication.
- GRIT supports exploring a standardized distribution interconnection allowance to improve parity with transmission assets and support broader DER deployment.
- GRIT supports calls for a simplified interconnection process for systems under 50 kW to reduce burden on smaller projects.
- GRIT emphasizes that safety and reliability are fully compatible with DER growth, and future-ready rules will reduce long-term complexity and cost.
- GRIT opposes requiring DERs to report directly to the Commission, as DSPs already have the data and are best positioned to manage the reporting process.
- GRIT supports aligning utility standards with IEEE 1547 to reduce duplicative requirements and create consistency across the state.
- GRIT encourages the Commission to host technical workshops after comments close to support clarification, alignment, and effective implementation.