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PROJECT NO. 54233

TECHNICAL REQUIREMENTS AND	§	PUBLIC UTILITY COMMISSION    OF TEXAS
INTERCONNECTION PROCESSES FOR	§	
DISTRIBUTED ENERGY RESOURCES	§	
(DERS)	§	

**TAEBA Reply Comments Regarding the Commission Draft DER Interconnection Rule**

Texas Advanced Energy Business Alliance (“TAEBA”) hereby submits these reply comments on the Commission Staff’s Draft 16 Texas Administrative Code (“TAC”) Rules §25.210 (newly proposed), §25.211, and §25.212 filed on May 14, 2025, in the above-referenced project. TAEBA includes local and national advanced energy companies seeking to make Texas’s energy system secure, clean, reliable, and affordable. Advanced energy technologies include energy efficiency, energy storage, demand response, solar, wind, hydro, nuclear, and electric vehicles. Used together, these technologies and services will create and maintain a higher performing energy system—one that is reliable, resilient, diverse, and cost effective—while also improving the availability and quality of customer facing services. TAEBA’s membership also includes advanced energy buyers, representing the interests of large electricity consumers interested in increasing their purchases of advanced energy to meet clean energy and sustainability goals.

TAEBA thanks the Commission once again for revisiting Project No. 54233 and for its foresight in providing stakeholders with such a robust process for providing our feedback and input to the proposed TAC rule changes regarding interconnection for small Distributed Energy Resources (“DERs”). TAEBA believes that conducting DER interconnection in a more streamlined and accessible way is paramount to enabling Texans to participate in and benefit

from a modernized energy system – one that supports energy independence, grid flexibility, and continued job creation across the state.

Below, we offer our reply comments to initial stakeholder comments filed on June 27, 2025. We also offer some initial reactions to the Commission here.

TAEBA is pleased with the robust responses that the Commission received during the initial comment period for the proposed rule. It is truly important for all stakeholders to have the opportunity to shape a rule such as this for accuracy of the rule content and to ensure the streamlined and safe operation of the distribution system. TAEBA urges the Commission to read the initial comments and reply comments with a focus on maintaining a faster and more effective application and interconnection process for DERs. Several commenters have submitted suggested rule provisions for the purpose of maintaining safe grid operation. These perspectives are necessary but should be balanced with caution not to ignore the purpose of these rule changes. The purpose of the rule changes is to eliminate unnecessary layers of system studies and precautions for systems which are unlikely to negatively affect system operation, and adding in too many study and safety provisions to the proposed rules would negate the gains in DER deployment they seek to create.

Similarly, TAEBA also wishes to reiterate that the Commission should not fall into the trapping of treating smaller DER facilities with the same rule requirements that commercial energy facilities are subject to. A small or residential DER system does not operate on the same financial principles or energy model that a system designed for commercial energy deployment does and should not be viewed in the same light when determining operational requirements for each type of facility. Indeed, the implementation of these rules is an acknowledgement that large DER and small DER facilities are not equivalent in their operations even if the benefits of their deployment are similar.

We offer our body reply comments below.

### **Commenter Responses to the Intention of the Rule Changes**

In response comments, Texas New Mexico Power (“TNMP”) suggests that the intended purpose of rules is to provide preferential treatment and services to DERs which are not



provided to other distribution customers. TNMP goes on to cite the idea that these “provisions would be costly and place new administrative burdens on DSPs to notify, repair, and reconnect DERs in a specific manner or prioritization that is not done for the DSP’s other customers, particularly where safety and reliability may necessitate other actions of the DSP.”<sup>1</sup> TAEBA rejects the premise that these rules are intended to provide DER customers preferential treatment, as it is clear the Commission’s intention is to streamline and standardize DER interconnections for the purpose of resource deployment and increased system reliability. TAEBA agrees that customer safety and service reliability should be the DSP’s priority, which is a large part of why we are supportive of these rule changes and why we support the proliferation of DERs so strongly. In this case, TNMP is conflating its duty to service all distribution customers with a requirement to provide preferential treatment to DERs. TNMP also fails to specify which section of the Public Utility Regulatory Act (“PURA”) it believes is violated by this “preferential treatment” under the rule, as stated in their comments.<sup>2</sup> TNMP ignores the possibility that during such an event any grid repair which is made to get a large DER back online will also support the reinstatement of retail customers to the system.

TNMP’s argument also ignores the front-end benefits of having large DERs on its network, including those DERs’ ability to help prevent outages by providing local voltage support. We believe that the perspective provided by Alison Silverstein consulting encapsulates the benefits of widespread residential DER proliferation well.<sup>3</sup> Treating DERs as if the management their integration requires is a net negative to the system is purposefully overlooking the lifetime benefits of these units, which are improving with every year.

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<sup>1</sup> TNMP’s Comments to Discussion Draft of 25.210, 25.211 and 25.212, p 2.

<sup>2</sup> *Id.*

<sup>3</sup> “As DER energy and protection technologies have matured and expanded, they offer extensive value to the customer, host communities, and often to the grid as a whole by providing additional energy and ancillary services. This rule update is welcome because it is past time to modernize Texas’ DER interconnection rules to streamline and standardize DER interconnection.” TNMP’s Comments to Discussion Draft of 25.210, 25.211 and 25.212, p 1.



## Commenter Responses Requesting a Study Process for Systems of 50kW and Below

TAEBA was encouraged to see so many commenters include requests for a separate, expedited interconnection study process for DER systems sized for residential customers. Upon review, we particularly appreciate the perspective provided by Alison Silverstein Consulting, which integrated the understanding of why these systems are so valuable with the justification of their separation for separate study standards because of the availability of standardized commercial components for systems of this size. Alison Silverstein Consulting also raises the issue that residential systems are unlikely to participate directly in ancillary services or other reliability products on the ERCOT market and therefore are unlikely to have major effects on the feeders to which they are interconnected.<sup>4</sup> TAEBA has a slightly different perspective. While residential DER system participation in ancillary services is limited now, we want to emphasize that even as DER ancillary service participation for DERs expands, this is unlikely to result in expanded stress on the distribution system. This is because for the purpose of AS participation, the majority of DERs that are interconnected to the distribution system are treated as load resources.<sup>5</sup> Small DER resources that participate through the Aggregate Distributed Energy Resource (“ADER”) Pilot Project are treated as load resources exclusively.<sup>6</sup> That means that these DERs can only participate in AS by reducing their load on the system, rather than by injecting energy onto the system. This condition shows just how these residential DER systems can provide reliability not only for the customers who install them, but for their

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<sup>4</sup> INITIAL COMMENTS OF ALISON SILVERSTEIN CONSULTING ON DISCUSSION DRAFT AND ASSOCIATED FORMS FOR DER INTERCONNECTION RULES, p 1.

<sup>5</sup> Some exceptions to this condition apply for distribution interconnected resources which register with ERCOT for the explicit purpose of participating in energy and ancillary services as a generation unit. See ERCOT Protocols Section 2: Definitions and Acronyms, pp 93-94.  
[https://www.ercot.com/files/docs/2024/06/28/02-080125\\_Nodal.docx](https://www.ercot.com/files/docs/2024/06/28/02-080125_Nodal.docx)

<sup>6</sup> Aggregate Distributed Energy Resource Pilot Project Governing Document Phase 3, p 6 and p 15.  
[https://www.ercot.com/files/docs/2024/02/28/ERCOT\\_Aggregate-Distributed-Energy-Resource-Pilot-Project-Phase-3-Governing-Document.docx](https://www.ercot.com/files/docs/2024/02/28/ERCOT_Aggregate-Distributed-Energy-Resource-Pilot-Project-Phase-3-Governing-Document.docx)



neighbors who benefit from better energy access when these residential systems go offline during emergency conditions.

Alison Silverstein Consulting also points to how the current DER interconnection process can lead utilities to discriminate against residential DERs unintentionally.<sup>7</sup> In our initial comments, TAEBA spoke to several reasons why DER systems below 50kW merit their own interconnection process separate from larger DERs, including different levels of system impact, different DER functions, and reduced ability to afford the same level of study scrutiny as larger DERs. We agree with Alison Silverstein Consulting that the natural result of treating DER systems of different sizes as the same effectively results in discriminatory behavior to residential DER systems.

Alison Silverstein Consulting points to the Interstate Renewable Energy Council's (IREC) recommendations for 50kW with 25kW export capability DER interconnection principles for the Commission to consider.<sup>8</sup> TAEBA referenced IREC's best practices in our initial comments, particularly in reference to their fast-track interconnection approach for DERs of this type. We generally agree that the IREC recommendations are a good model to emulate, particularly when it comes to standardizing data collection and equipment information as suggested by Alison Silverstein Consulting.

Base Power has similarly proposed what they call a "Details of the Installation" ("DOTI") form to serve as a baseline interconnection agreement between a 50kW and below DER interconnection customer and their utility. This idea is based on the Details of the Aggregation Form ("DOTA") which is used in the Aggregated Distributed Electricity Resource ("ADER") Pilot Program.<sup>9</sup> TAEBA does not endorse either the IREC model or the Base Power method

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<sup>7</sup> "Even if the utility does not intentionally discriminate against smaller DER applicants, the rules as written leave too much room for utilities to constrain small DER package design and delay interconnection." INITIAL COMMENTS OF ALISON SILVERSTEIN CONSULTING ON DISCUSSION DRAFT AND ASSOCIATED FORMS FOR DER INTERCONNECTION RULES, p 1.

<sup>8</sup> INITIAL COMMENTS OF ALISON SILVERSTEIN CONSULTING ON DISCUSSION DRAFT AND ASSOCIATED FORMS FOR DER INTERCONNECTION RULES, p 3.

<sup>9</sup> BASE DISCUSSION DRAFT COMMENTS REGARDING DER INTERCONNECTION RULES, pp 4-6.



over the other, but both models are worthy of Commission consideration for which can increase efficiency more, or if a combination of both would be best.

### **Commenter Responses on Whether the Rules Should Apply to Municipal and Cooperative Utilities**

In our initial comments TAEBA expressed our belief that the new DER interconnection rules should apply to all utilities, including the municipal and cooperative utilities. Hunt Energy Network pointed to specific PURA language in their comments outlining the specific regulatory precedent that would allow the Commission to implement these rules across all utilities.<sup>10</sup> TEABA appreciates Hunt Energy Network's efforts to identify this regulatory language, and we again encourage the Commission to utilize the precedent in PURA to apply these rules across all utilities. Instituting a rule change of this kind for customers that are located within TDU territory but not within the municipal or cooperative utilities' territories would be an unreasonable variation in the application of these regulations. Such an action would leave roughly 3 million Texas residents with a reduced ability to install their own DER system, thereby reducing consumer choice and self-reliance in those territories.

Hunt also provides business evidence of why the rules should be applied to all utilities evenly.<sup>11</sup> Allowing Municipal and cooperative utilities to create their own interconnection processes could lead to overly stringent application and study requirements compared with other utilities. From a business perspective, this is not sensible. Allowing DER installers to have a clear picture of their interconnection requirements across the state will allow for faster proliferation of these systems and the reliability and emergency service support they provide.

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<sup>10</sup> "Proposed Rule §25.210 establishes the interconnection and wholesale open access requirements for a DSP to provide wholesale transmission service at distribution voltage within ERCOT. PURA requires that the Commission regulate the provision of this service by municipally-owned utilities and electric cooperatives for generation resources. Thus, the Proposed Rule §25.210 should apply to municipally-owned utilities and electric cooperatives." HEN RESPONSE TO COMMISSION STAFF REQUEST FOR COMMENT REGARDING DER INTERCONNECTION RULES, p 3.

<sup>11</sup> HEN RESPONSE TO COMMISSION STAFF REQUEST FOR COMMENT REGARDING DER INTERCONNECTION RULES, p 4.



## Commenter Responses to the 250kW Nameplate Cutoff

Several commenters, notably several investor-owned utilities, responded to the Commission rules by proposing that the cutoff for separating DER systems for a uniform and streamlined interconnection process should be 1MW instead of 250kW. Oncor suggests 1MW makes sense as the study size cutoff because resources under this size are not eligible to register for ERCOT's wholesale market.<sup>12</sup> Oncor continued, stating that the similarities between systems 1MW and 250kW systems are greater than the similarities between systems that are 1MW and those larger than 1MW. Oncor further evidenced this by stating there are approximately 130 DERs with a nameplate capacity between 250kW and 1MW which are not dispatchable through ERCOT's Security Constrained Economic Dispatch ("SCED") system, meaning they do not provide AS.<sup>13</sup> Oncor suggests including systems up to 1MW in the requirements for "§25.211 rather than the more complex process under §25.210."<sup>14</sup>

TAEBA understands this logic and believes making systems up to 1MW subject to §25.211 rather than §25.210 could be a sensible solution to allow systems which will not participate in the ERCOT market (unless as part of an aggregation under the ADER Pilot) to achieve interconnection more easily than their counterparts which are eligible to be registered to participate in SCED directly. This change will could ensure that more MWs of DERs and reliability are deployed to distribution systems across the state.

TAEBA is concerned however that Oncor is offering a higher cutoff for DERs that are governed by §25.211 to levy more difficult interconnection and operations requirements on those DER systems as a class, which is counter to the purpose of this Project. One example of these increased burdens is Oncor's inference that all DERs of any size should be subject to export charges, which is not sensible. TAEBA addresses this issue in greater detail under our

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<sup>12</sup> OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, ONCOR ELECTRIC DELIVERY COMPANY LLC'S INITIAL COMMENTS ON STAFF'S MAY 14, 2025 DISCUSSION DRAFT p 4.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*





comments section “Application of DER Costs.” Another issue that could arise is treating these systems akin to their larger counterparts is the institution of transfer trip requirements for smaller DER systems. Oncor itself acknowledges transfer trip capability is not typically needed for smaller DER systems,<sup>15</sup> however, the proposed language in §25.212(g)(2)(c) is ambiguous in terms of when transfer tripping requirements are applied to systems sized between 10kW and 500kW.<sup>16</sup> Currently, the rule leaves determining the need for DER transfer trip capability to the DSP’s discretion, which could lead to unnecessary safety measures and equipment requirements being applied to the proposed DER project to make its installation more difficult. If the Commission does decide to apply §25.211 to projects up to 1MW, TAEBA also recommends reevaluation the transfer trip requirements in §25.212 to align more closely with the various interconnection application cutoffs. All DER interconnection applicants must also be provided with the opportunity to demonstrate to the Commission that transfer trip requirements which are applied to their project are unnecessary if the applicant believes transfer tripping is not applicable for their project.

### **Commenter Responses Regarding Data Sharing Issues**

Oncor stated it believes utilities should not be forced to furnish executed interconnection agreements of DER customers to other DER operators and suggests instead that DERs that perceive themselves to be an aggrieved party be able to petition the Commission for a resolution.<sup>17</sup> While TAEBA does agree that interconnection applicants should have the ability to petition the Commission in situations where a DSP fails in its required duties to interconnect a DER or where a resolution cannot be found in situations of dispute, we find

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<sup>15</sup> OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT p 5.

<sup>16</sup> Commission Discussion Draft and Associated Forms for DER Interconnection Rules (§§25.210-25.212) and Request for Comments, pp 58-60.

<sup>17</sup> OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT p 10.



that allowing aggregate, anonymized interconnection agreement data to be released is desirable in these situations.

### Commenter Responses Regarding Tariffs and Study Costs

CenterPoint proposes publishing fee schedules for DER interconnection in its retail tariff amendment required by the rules rather than publishing the fee schedule on their website.<sup>18</sup> TAEBA agrees that publishing the fee schedule in a DSPs retail tariff is in the interest of transparency, and in that spirit, the DSP should be required to publish its interconnection fee schedule both on directly on a dedicated page on its website and in its retail tariff. Other commenters, such as Hunt Energy Network, agree that all interconnection tariffs should be published and readily available, and Hunt Energy Network specifically advocates for an open access tariff.<sup>19</sup> For DER developers an understanding of their interconnection cost structure is paramount to understanding project viability, and the earlier in the development process companies can access information about cost estimates the better they can choose a site for their project, leading to cost savings for developers and reducing the number of applications DSPs have to review.

Oncor and AEP Texas express concern over providing “itemized” cost estimates to DER interconnection customers. Oncor states that specific equipment costs rather than categorical costs could be difficult because of bulk order pricing.<sup>20</sup> AEP Texas has concerns around itemized calculations for the contribution in aid of construction (“CIAC”) cost calculations generally, calling this calculation a “conceptual estimate” and that invoiced amounts should be subject to a true up for system installation costs.<sup>2122</sup> TAEBA recognizes the challenges in trying

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<sup>18</sup> Comments of CenterPoint Energy Houston Electric, LLC, p 4.

<sup>19</sup> HEN RESPONSE TO COMMISSION STAFF REQUEST FOR COMMENT REGARDING DER INTERCONNECTION RULES, p 10.

<sup>20</sup> OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT pp 10-11.

<sup>21</sup> COMMENTS OF AEP TEXAS INC., p 3.

<sup>22</sup> COMMENTS OF AEP TEXAS INC., p4.



to price out itemized costs for individual DER interconnections based on bulk purchasing, but this difficulty should not constitute a reason to not require itemized calculations. A moderate increase in human hours to provide an itemized estimate is necessary so that interconnection applicants are aware of where specific costs may or may not be reasonable. If DSPs are permitted to provide categorical cost estimates for interconnection, their ability to inflate price estimates unreasonably will be expanded and the estimates would be harder for interconnection customers to dispute. Concerns over interconnection cost estimates that are too low and result in losses for the DSP are valid, but the possibility that costs are overestimated is likelier. For the fairness of both parties, TAEBA supports a true up process whereby overestimated CIAC costs can be returned to the DER interconnection applicant and underestimated CIAC costs can be paid out to the DSP. This true up process should be accompanied by detailed and itemized cost estimates, as well as a proposed execution schedule for interconnection once the CIAC is executed. This execution schedule should include periodic updates on project progress so DER customers have predictability in DSPs completion of CIAC projects.

In its comments, TNMP suggests that §25.211(e) be modified to make DERs subject to demand charges if a DER is disconnected and reconnected at a higher demand rate.<sup>23</sup> TAEBA is unclear of the justification for this modification, and TNMP provides no examples of this happening and why the change should require new demand charges. The Commission should reject this rule modification as suggested.

TNMP suggests that 30 days is not enough time to implement new tariff amendments, asking for 45 or 60 days to complete this action.<sup>24</sup> If this were a continuous requirement, TAEBA would be strongly opposed. However, since this is a one-time action, we are comfortable allowing DSPs 45 days to draft and implement new tariffs.

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<sup>23</sup> TNMP's Comments to Discussion Draft of 25.210, 25.211 and 25.212, p 5.

<sup>24</sup> *Id.*



## Commenter Responses Regarding Study and Interconnection Timelines

CenterPoint stated in its comments that there should be no requirement for furnishing results of a pre-screen study to DER operators, instead suggesting using the “reasonable efforts” doctrine to complete the pre-screen and a 15-day time limit to deliver those results to the DER operator once the study is complete.<sup>25</sup> This request is a blatant attempt to escape any accountability for delivering pre-screen studies at all. The proposed 15-day requirement to deliver the study once complete is not only a suspiciously long time to notify a DER operator by email once a study is completed but also offers no hard requirement to complete the pre-screen. Oncor has proposed to allow DSPs to exceed the 30-day pre-screen delivery requirement if the DSP notifies the DER installer of circumstances which will prevent it from delivering the requested pre-screen but does not specify which circumstances are acceptable conditions for a delay.<sup>26</sup> Oncor also request that the clock on pre-screen delivery time should not start until the DSP has determined it has received all the required materials, which is a loophole which could result in continuous information requests.

The Commission should reject these requests and leave the 30-day pre-screen delivery requirement in place as written. Indeed, other commenters find the proposed pre-screen delivery timeline to be generous.<sup>27</sup>

CenterPoint believes there should be no 60-day requirement for the mandatory impact study for DER interconnections, stating impact study timelines are negatively impacted when the company is performing more than one impact study at a time.<sup>28</sup> Oncor also states because

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<sup>25</sup> COMMENTS OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, p 4.

<sup>26</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 8.

<sup>27</sup> “The proposed timeframe for the pre-screen study (up to 30 working days, plus extensions) may be longer than necessary for a general study that does not involve detailed engineering. Based on industry experience, such preliminary assessments can often be completed more quickly. Shortening this timeline to 10 working days and not to exceed 20 working days would provide DER developers with earlier feasibility feedback.” Net HEN RESPONSE TO COMMISSION STAFF REQUEST FOR COMMENT REGARDING DER INTERCONNECTION RULES, p 7.

<sup>28</sup> COMMENTS OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, p 5.



of the number of DERs they question the feasibility of a 60-day turnaround with a 90-day maximum for impact studies and is asking for the timeline to be extended to 100 days.<sup>29</sup> CenterPoint also suggests that interconnection for facilities that file a completed application using certified equipment be interconnected within 6 weeks instead of the stated 4-week deadline in rule §25.211, and that facilities that have filed a completed application which use uncertified equipment be interconnected within 8 weeks instead of the stated 6-week deadline.<sup>30</sup> CenterPoint provides no justification for its suggested expansion to the timeline, and the Commission should ignore the request to extend the timelines as CenterPoint proposes.

TAEBA understands the concerns that DSPs have about how they will meet these timelines, but their concerns do make these timelines unreasonable. DER proliferation in Texas is likely to accelerate in the future, and DSPs should be preparing now for longer queues in the future. The best course of action is for the Commission to leave the 60-day requirement in place to keep interconnection studies from lengthening and allowing queues to build up, and DSPs should focus resources on hiring more staff to perform interconnection and impact studies. Our recommendation to the DSPs who are concerned with the time requirements to meet study deadlines is to increase staffing and to consider adding team members specifically to cover these processes. The cost of increasing staff to perform these studies in a timely fashion will be nominal to the average customer and will immensely increase reliability on the system by getting DERs interconnected faster.

### Application of DER Costs

Before replying to relevant commenter feedback regarding cost applicability, TAEBA implores the Commission to wait for the upcoming “Cost Allocation” Project to discuss these

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<sup>29</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 10.

<sup>30</sup> COMMENTS OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, p 7.



issues, and the Commission should deem issues of cost for the purposes of Project 54233. While not all cost issues are related directly to cost allocation, the applicability of specific costs to various projects, including costs that are ongoing and associated with DER system operation, has a direct parallel to the question of who is responsible for interconnection costs.

Oncor writes that they find unclear reasoning on the Commission's regarding "disparate" treatment of certain costs, including export costs, across DERs covered by §25.210 and those in §25.211.<sup>31</sup> TAEBA disagrees with the characterization that charging the largest DERs for export costs and not charging small DERs for export costs is "disparate" treatment. The largest DERs on the system operate under a different paradigm from small and residential DERs. As discussed previously, many smaller DERs, particularly those which are residential, operate almost exclusively as load side resources, even if they are participating in the ERCOT market as a part of an aggregation. This means that as a rule of thumb, small DERs do not inject into the distribution system. Without widespread net metering in Texas, the issue of DERs causing wear on the distribution system is even less pronounced. As stated in our initial comments, the Commission should continue to avoid "frictions where small customers are subject to commercial operating requirements."<sup>32</sup> Small DERs are rarely ever commercial operators in the sense that they do not typically produce electricity primarily for offsite consumption and therefore should not be subject to all the same requirements as the largest DERs.

## Application Modifications

Oncor encourages the Commission to allow the DSP to determine what constitutes "like for like" components under subparagraph (f)(4) regarding equipment substitutions and

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<sup>31</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC'S INITIAL COMMENTS ON STAFF'S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 7.

<sup>32</sup> Comments of Texas Advanced Energy Business Alliance in Response to Commission Staff Questions Posted May 14, 2025, p 5. [https://interchange.puc.texas.gov/Documents/54233\\_102\\_1513833.PDF](https://interchange.puc.texas.gov/Documents/54233_102_1513833.PDF)



testing requirements for those substitutions.<sup>33</sup> Allowing this modification to the proposed rule would be an obvious loophole which could allow DSPs to indefinitely extend retesting of a proposed system anytime an equipment modification is proposed for improved cost, operational efficiency, or a simple lack of supply of one proposed component and the need to find another supplier for a replacement component. Without any boundaries on who controls the definition of “like for like” apart from the DSP, DER developers could be subject to undue review and delays for equipment that performs the same function as the equipment it is proposed to replace.

In its comments, Oncor offers the possibility for DER developers subject to §25.211 to reduce or limit DER capacity in their applications to avoid interconnection upgrades.<sup>34</sup> TAEBA finds this idea to be quite favorable on the surface. DER interconnection customers should have the option to modify their applications in a way that will allow them to avoid paying for system upgrades without losing their place in the DSP’s interconnection queue. The issue is that Oncor’s language specifies that the DSP must be the sole decider on whether a modification made to a DER application constitutes a “minor” or “material” change to the application. Under Oncor’s model, a material change can necessitate a withdrawn application and submission of a new application, which will naturally result in that DER losing its place in the interconnection queue. This condition of allowing only the DSP to be the arbiter of material

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<sup>33</sup> OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT p 12.

<sup>34</sup> “Additionally, in (l)(3), Oncor has added language that would provide an option for the DER developer to reduce or limit its DER capacity in order to avoid upgrades (and the costs associated with those upgrades). Oncor’s past experience has been that a very small portion of smaller-sized DER interconnections have required upgrades, but home battery back-up capacity and bi-directional electric vehicle charging will increase loading on standard transformers and may trigger the need for upgrades. Under (0)(5), the DSP needs to be the party to decide whether a modification made to the information in an application is minor in nature (such that it will not require a new or separate application) or whether that modification is more material in nature, such that new or additional information or a new application is necessary.” ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 17.



application changes and therefore having the power to arbitrarily modify a projects queue position with an application modification could force DER interconnection applicants to undersize their systems for fear of encountering unexpected upgrades, and then being forced to modify their application and possibly lose their interconnection queue position. Oncor's idea to allow DER interconnection application modifications is sound, but the proposed mechanism for doing it is unsound and clearly favors the utility in an unjust way. TAEBA proposes that if the Commission includes a DER application modification provision in the rules, that it come up with a clear list of application modifications that would qualify as "material", and that interconnection customers whose proposed application modifications are deemed material have a quick recourse to petition the Commission if they disagree with a DSP's findings. Relatedly, Hunt Energy Network showed a similar concern for the requirements for interconnection applications under §25.210 which are rejected as unreliable or unsafe.<sup>35</sup> Hunt Energy Network believes the DER applicant must have the ability to address the deficiencies a DSP finds with their application within a reasonable timeframe. TAEBA agrees with this perspective and encourages the Commission to provide DER applicants with opportunities for recourse and arbitration during the application and impact study phases of the interconnection process regardless of size or which section of the rules they fall under.

### Application and Reporting Information Requirements

CenterPoint believes that being required to identify "identify potential limitations on the DSP's distribution system" under §25.210(e)(2) constitutes a Critical Energy/Electric Infrastructure Information ("CEII"), claiming that providing it to an applicant would constitute a public disclosure and a security risk.<sup>36</sup> TAEBA is unsure of this characterization and asks that the

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<sup>35</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC'S INITIAL COMMENTS ON STAFF'S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 8.

<sup>36</sup> COMMENTS OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, p 4.





Commission consult internal counsel thoroughly before deciding whether to remove this information requirement.

Oncor takes issue with the information requirements for the annual DER report workbook under §210(n), stating that co-located load, average annual peak load, and the type of load are not DER related data categories.<sup>37</sup> Oncor continues that it offers a data list which narrows the provided data details to those that “seem pertinent” and which are in line with DSP DER reporting requirements of the past.<sup>38</sup> TAEBA disagrees that these categories of data are impertinent and having access to them can help DER installers understand macro trends around what types of installed systems are reaching successful application and interconnection. The knowledge outlined here can help to enhance DER system planning and can benefit DSPs by allowing DER applicants to understand system needs more narrowly, also leading to better prepared interconnection applications. Omitting the “feeder or other location”<sup>39</sup> where a DER is interconnected to the system removes a major indicator to DER installers about where available capacity headroom exists on the distribution system, leading to worse outcomes in early cost of installation projections.

### Future Rule Updates

In its initial comments, Oncor suggests that all references to the Institute of Electrical and Electronics Engineers (“IEEE”) standards in the rule should not reference a year, allowing

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<sup>37</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, pp 13-14.

<sup>38</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, pp 18.

<sup>39</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC’S INITIAL COMMENTS ON STAFF’S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 39.



for standard equipment requirements to be updated as IEEE updates its standards.<sup>40</sup> TAEBA did recommend a 5-year review of the IEEE standards in our initial comments and sees how this change could be useful to keep standards up to date and alleviate the administrative burden of reviewing them in the future.<sup>40 41</sup> While this could be an efficient policy change, we do foresee some potential pitfalls. Specifically, Oncor makes no mention of how soon after being released the updated IEEE standards would apply, not any mention of which interconnection applications it applies to. For instance, a DER which has been in the interconnection queue for nearly a year and is nearing completion could see a new IEEE standard released when it is in the impact study stage of its interconnection process, and the DSP could point to equipment changes necessitated by keeping up with the standard as material, and the DER developer would lose its project's place in the queue and be forced to file a new interconnection application altogether. If the Commission decides not to reference a single year of the IEEE standards, TAEBA recommends a provision where the old standard would apply to projects that were already in the interconnection queue at the time of the standard update's release, and that projects which make equipment changes to their applications to become compliant with the new standards are not subject to a material change in their application status.

### DER Project Disconnection

Hunt Energy Network raises a concern regarding a definitional change that could prevent unnecessary disconnections of DER projects. Hunt Energy Network finds the definition of a "safety and reliability issue" is drafted too broadly, leaving an opening for disconnection

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<sup>40</sup> ONCOR ELECTRIC DELIVERY COMPANY LLC'S INITIAL COMMENTS ON STAFF'S MAY 14, 2025 DISCUSSION DRAFT OF NEW 16 TAC §25.210, AMENDMENTS TO §25.211, AND REPEAL AND REPLACEMENT OF §25.212, p 19.

<sup>41</sup> Comments of Texas Advanced Energy Business Alliance in Response to Commission Staff Questions Posted May 14, 2025, PDF page 16.



before the DER has the opportunity to rectify the identified reliability issue.<sup>42</sup> TAEBA is comfortable with the definitional change to “safety and reliability issue” that Hunt Energy Network offers.

## Conclusion

TAEBA appreciates the Commission Staff's consideration of these comments and is hopes to continue working with the Commission, Commission Staff, and stakeholders to make the changes necessary to ensure effective and sound technical requirements and processes for all DERs in Texas.

Respectfully submitted,

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<sup>42</sup> HEN RESPONSE TO COMMISSION STAFF REQUEST FOR COMMENT REGARDING DER INTERCONNECTION RULES, p 5.



PROJECT NO. 54233

TECHNICAL REQUIREMENTS AND	§	
INTERCONNECTION PROCESSES FOR	§	
DISTRIBUTED ENERGY RESOURCES	§	PUBLIC UTILITY COMMISSION OF TEXAS
(DERS)	§	

Summary of TAEBA Recommendations to the Commission Regarding Initial Stakeholder  
Comments in Project No. 54233

In these comments, TAEBA Provides the Commission with the following recommendations:

- Consider DER system impacts in line with their operation, which is primarily as load resources;
- Apply these rules across all DSPs, including municipal and cooperative utilities;
- Continue to require reasonable, firm timeline requirements for the pre-screen, application review, and interconnection study processes for DERs;
- Use caution when considering raising the applicability of §211 to include projects up to 1MW, particularly when evaluating possible associated reliability burdens such as transfer switching capability;
- Do not change the applicability of demand charges to DER systems;
- Continue to require public data sharing of DER projects by DSPs so DERs can be deployed efficiently and effectively;
- Do not allow application modifications to remove DER projects from the interconnection queue unnecessarily.

