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PROJECT NO. 54233

TECHNICAL REQUIREMENTS AND INTERCONNECTION PROCESSES FOR DISTRIBUTED ENERGY RESOURCES (DERs)	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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INITIAL COMMENTS OF SOUTHWESTERN ELECTRIC POWER COMPANY

Southwestern Electric Power Company (“SWEPCO”) respectfully provides the following comments on the discussion draft provided by the staff of the Public Utility Commission of Texas (“Commission Staff”) that would (1) repeal existing 16 Texas Administrative Code (“TAC”) § 25.211, relating to Interconnection of Distribution Resources for Parallel Operation; (2) propose new § 25.211, relating to Interconnection of Distribution Resources for Parallel Operation; (3) repeal existing § 25.212, relating to Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation; and (4) propose new 16 TAC § 25.212 relating to Technical and Operational Requirements for Parallel Operation of Interconnected Distribution Resources. As requested, SWEPCO is also including a standalone executive summary as the last page of this filing. SWEPCO appreciates the work of the Commission and the opportunity to submit comments on the issues presented by this project.

I. Comments

SWEPCO’s comments on the discussion draft are focused on how the proposed rules may affect SWEPCO as a non-ERCOT utility. However, SWEPCO’s silence on other aspects of the discussion draft should not be interpreted as an endorsement of those aspects. As a non-ERCOT utility, SWEPCO may be subject to the authority of the Commission, the Federal Energy Regulatory Commission (“FERC”), and the Southwest Power Pool, Inc. regarding issues related to distributed energy resources. Accordingly, SWEPCO respectfully suggests that the Commission include language in the proposed rules stating that the rules do not apply to the extent preempted by federal law. Similar language is in the existing version of 16 TAC § 25.211(a): “Unless the context indicates otherwise, this section and § 25.212 of this title... apply to an electric utility for all purposes except to the extent preempted by federal law.” SWEPCO further suggests that the rules should contain language that they do not apply to non-ERCOT utilities to the extent

the rules conflict with other binding determinations of FERC or another regional transmission organization or independent system operator with jurisdiction or authority over the utility. For example, subpart (a) of § 25.211 could be modified to read as follows, and a similar modification could be made to proposed § 25.212:

- (a) **Application.** This section applies to distribution service providers (DSPs), distribution resource providers, and distribution resources interconnected or seeking interconnection with a DSP's distribution system in the state of Texas, except: (i) as provided under Public Utility Regulatory Act (PURA) § 35.037; (ii) to the extent preempted by federal law; and (iii) for non-ERCOT utilities, when inconsistent with the rules, policies, procedures, or other binding determinations of the Federal Energy Regulatory Commission or a Regional Transmission Organization or Independent System Operator with jurisdiction or authority over the utility.

In addition, SWEPCO is opposed to defining terms such as “Distribution energy storage resource (DESR)” by reference to a definition in the ERCOT protocols (such as is found in discussion draft § 25.211(b)(2)) because non-ERCOT utilities do not ordinarily review the ERCOT protocols or participate in the ERCOT protocol revision process. In addition, the definitions in the protocols may develop in a way that is unique to ERCOT and therefore in a way that is not fully representative of non-ERCOT utilities.

II. Conclusion

SWEPCO appreciates the Commission's consideration of these initial comments and looks forward to participating in future discussions with interested stakeholders on these issues.

Respectfully submitted,

/s/ Leila Melhem

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ON BEHALF OF SOUTHWESTERN
ELECTRIC POWER COMPANY

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**EXECUTIVE SUMMARY OF INITIAL COMMENTS
OF SOUTHWESTERN ELECTRIC POWER COMPANY**

SWEPKO appreciates the work of the Commission on the proposed repeal and replacement of 16 Texas Administrative Code §§ 25.211 and 25.212. An executive summary of SWEPKO's comments is below.

- SWEPKO respectfully suggests that the Commission include language stating that the rules do not apply to the extent preempted by federal law.
- SWEPKO respectfully suggests that the rules should contain language stating that the rules do not apply to non-ERCOT utilities to the extent they conflict with other binding determinations of FERC or another regional transmission organization or independent system operator with jurisdiction or authority over the utility.
- SWEPKO requests that definitions (or other parts of the rules) do not incorporate by reference the ERCOT protocols because non-ERCOT utilities do not ordinarily participate in the ERCOT protocol revision process, and the ERCOT protocols may develop in a way that is unique to the ERCOT market and therefore unrepresentative of the circumstances of non-ERCOT utilities.