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**PROJECT NO. 54233**

**TECHNICAL REQUIREMENTS AND  
INTERCONNECTION PROCESSES  
FOR DISTRIBUTED ENERGY (DERs)**

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**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**JOINT REPLY COMMENTS OF TEXAS SOLAR POWER ASSOCIATION AND SOLAR  
ENERGY INDUSTRIES ASSOCIATION ON STAFF DISCUSSION DRAFT**

COMES NOW the Texas Solar Power Association (TSPA) and the Solar Energy Industries Association (SEIA) (collectively, Solar Associations) and file these joint comments regarding the comments of other parties on the Public Utility Commission of Texas Staff (Staff) discussion draft regarding the technical requirements and interconnection processes for distributed energy (DERs) that was filed on November 22, 2022. TSPA and SEIA are not affiliates but have combined our comments for this filing to assist the Commission.

**I. INTRODUCTION**

The TSPA is a statewide industry trade association that promotes the development of solar electric generation. Our member companies invest in the development of solar photovoltaic products and projects in Texas, serving customers in both wholesale and retail markets, with products ranging from utility-scale generation, community solar, and customer-sited solar and storage solutions.

SEIA is a national trade association of the solar energy industry. Through advocacy and education, SEIA and its members are building a strong solar industry to power America. As a voice of the industry, SEIA works to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry, and educating the public on the benefits of solar energy. SEIA represents solar companies across a variety of solar energy technologies, including photovoltaic (PV), solar water heating, and concentrating solar

power (CSP). Additionally, SEIA represents diverse solar companies providing utility-scale generation, community solar, and customer-sited solar and storage solutions.

## II. RESPONSE TO COMMENTS

At a high level, we note that most parties called for a stakeholder process or workshop before publishing the proposed rule or retaining §25.211 for small scale projects, including the Solar Associations, Texas Solar Energy Society, Joint Storage Commenters, Sierra Club, Oncor Electric Delivery Company, LLC (Oncor), CenterPoint Energy Houston Electric, LLC (CenterPoint Energy), AEP Texas Inc. (AEP Texas), Southwestern Public Service Company (SPS), Texas-New Mexico Power Company (TNMP), Texas Advanced Energy Business Association (TAEBA), and Octopus Energy LLC.

Solar Associations continue to strongly support retaining §25.211 for small-scale projects to avoid unnecessarily subjecting these projects to unreasonably burdensome regulations that will not improve grid reliability or the interconnection process. If the Commission believes additional requirements may be necessary for small-scale systems that participate in the ERCOT market, the Commission could consider specific requirements for those smaller installations that chose to participate in the ERCOT wholesale market either directly or through aggregation prior to participation or choose to adopt a grandfathering clause for these smaller systems.

In terms of the definition of a distribution resource, several commentors discussed having the term resource either be removed or not apply to generators of certain sizes. Solar Associations recommend that the Commission retain the use of resource in the term and add “energy” to further define the term as a “distributed energy resource”. Distributed Energy Resource (DER) is the industry standard for generators in the class across the country. Solar Associations note that CenterPoint Energy’s and AEP Texas’ proposed rules refer to these resources as DERs.

**Reply to Pecan Street.** Pecan Street proposed that revised standards and amendments to certain IEEE standards should automatically be incorporated into the Commission’s

interconnection standards after a 12-month grace period. While the Solar Associations appreciate the intention of this suggestion, we are concerned that automatic adoption could create a problem if there is a concern with future standards. Therefore, we suggest that Pecan Street's automatic applicability be incorporated, but give any party the opportunity to file for a contested case hearing to block automatic implementation of a particular amendment or revision by a certain deadline. If a party requests a contested case hearing prior to the deadline, the automatic implementation is stayed until conclusion of the hearing. This would protect against any unintended consequences from an otherwise good proposal.

**Reply to Oncor.** In its Initial Comments, Oncor expresses concern with the Commission codifying an interconnection timeline. Solar Associations believe timelines are important for the interconnection of distributed generation of any size, as suggested in our initial comments (see, Solar Associations Comments on Discussion Draft at pp. 5, 7, and 9-10). We encourage the Commission to set a deadline so that distributed generation resources can have regulatory certainty regarding the planning and execution of planned projects. Deadlines are integral to managing the costs and requirements of these projects. Furthermore, identified deadlines will also help utilities manage their staffing levels to meet those deadlines when there is growth in demand. Customers that have experienced delays in interconnection timelines have expressed frustration to our member companies, and without clear deadlines, it is difficult to tell a customer when the system they purchased can be energized. From the perspective of a DER retail electric provider, getting systems installed in a timely fashion may be important to hedge expected summer demand. Similar deadlines throughout the proposed rule should be written with a focus on customers and customer expectations.

**Reply to AEP Texas.** AEP Texas proposed an alternative rule to the Commission Staff's discussion draft rule. While there are some aspects of its draft rule that are meritorious (especially referring to these generators as DERs), we encourage AEP Texas to provide additional information to the Commission Staff and stakeholders on its proposed rule, perhaps at the

proposed workshop, before the Commission staff considers the proposal. In particular, the draft rule uses terms like “secondary networks” and “spot networks” that are not defined. To the extent these terms refer to customer microgrids, Solar Associations offer that microgrids are an emerging way for customers to provide resiliency benefits more broadly and should be encouraged by the Commission. Solar Associations’ comments on Staff’s draft rule are also applicable, especially regarding timelines and retaining the existing rule or creating a new simplified process for small scale DERs. Solar Associations may have further comments on the AEP Texas draft if it is given further consideration by the Commission.

**Reply to CenterPoint Energy.** Like AEP Texas, CenterPoint Energy proposed a draft rule. We are encouraged by CenterPoint Energy’s advocacy for a more consumer friendly and familiar process for small-scale DERs, as well as CenterPoint Energy’s incorporation of the term DER throughout the document. However, Solar Associations are opposed to some elements of the proposed rule and need additional information concerning other aspects of CenterPoint Energy’s proposed requirements to fully understand the impacts of the proposal.

For example, CenterPoint Energy’s proposed requirement to provide telemetry between the DER and the TDU may be overly burdensome, especially for small DERs. Additionally, Solar Associations oppose CenterPoint Energy’s suggested maximum size for a DER. There are several other aspects of the proposal that would require further discussion and review if the Commission Staff is interested in considering this proposal. For instance, CenterPoint Energy’s proposed definition of certified customer equipment and its use should be analyzed and discussed to discern if there are any potential unintended consequences. Furthermore, CenterPoint Energy’s suggested new charges for multiple or repeated events also warrants specific attention. The company’s suggestion that pre-screening studies must be based on the aggregated DER facilities attached to a feeder may be too limiting if those DERs are either not yet installed or capable of being dispatched.

Solar Associations may have further comments on the CenterPoint Energy draft rule if it is given further consideration by the Commission. Our comments on Staff's draft rule are also applicable, especially in regard to timelines. As we suggest for AEP Texas' comments, we encourage CenterPoint Energy to discuss these matters at a workshop prior to their consideration by Commission Staff.

**Reply to ERCOT and the Joint Storage Commenters.** Both ERCOT and Joint Storage Commenters recommend that the 10 MW limit be removed for distributed energy resources. The Solar Associations concur that the 10 MW cap is unnecessarily limiting. As ERCOT noted in its comments (pg. 5), some utilities can accommodate distributed resources larger than 10MW, ERCOT protocols allow for a rating over 10MW, and ERCOT does not believe that there is a reliability concern that would require limiting these resources to 10MW or less. Solar Associations agree and recommend removing this restriction.

**Reply to ERCOT, AEP Texas, CenterPoint Energy, Oncor, and Texas-New Mexico Power.** ERCOT and several utilities commented on the metering recommendations made by Commission staff which would allow for metering from devices that meet specified certification standards. In our initial comments, the Solar Associations supported this language. While it may create complexity for ERCOT and the utilities, it ultimately can save customers time and money when investing in new DERs and should be retained. The Solar Associations recommend that the Commission should let ERCOT manage these complexities in the Settlement Metering Operating Guide instead of prohibiting alternative metering outright in the rule.

**Reply to SPS.** SPS recommends arbitrarily capping resources at 10 MW. As noted above in response to ERCOT and Joint Storage Commenters, Solar Associations oppose the "hard 10 MW nameplate capacity limit" for DERs. Such a limit would serve no purpose and is contrary to the public interest. Additionally, it would limit the ability for DERs to provide power to a distribution grid when it may otherwise be in the interest of a customer or the State.

SPS also opposes notifying distribution resource providers of outages “as soon as reasonably practicable” and asserts that the proposed language is an onerous requirement involving substantial systems development and cost. Because SPS failed to explain the impact to systems development or quantify the cost associated with Staff’s proposal, Solar Associations are unable to respond to this assertion. However, timely notification of outages is an essential requirement of the proposed rule. Distribution resource providers and customers cannot reasonably participate in this market if they will experience an unscheduled outage for an indeterminate amount of time.

Finally, SPS’s proposal to subject non-exporting generation to the rule could create significant regulatory uncertainty. Innovation in DERs has led to many behind the meter devices that will never export. Those devices cannot interfere with the DSP’s system, by their very nature, and it is unreasonable and regulatory over-reach to subject non-exporting generation to those requirements.

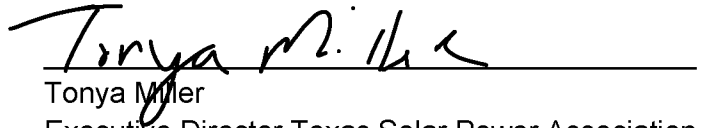
**Reply to CPS Energy (CPS), Texas Public Power Association (TPPA), and Texas Electric Cooperatives, Inc. (TEC).** Several commenters asserted that the Commission does not have jurisdiction over some matters within this draft rule and presented both legal and policy reasons for excluding municipalities and cooperatives. While the Solar Associations defer to the Commission’s determination on this jurisdictional question, the Solar Associations contend that the Commission should ensure standard practices for consumers across the entire state to avoid customer confusion and improve overall grid reliability. Therefore, we propose that these rules apply to municipally owned utilities and electric cooperatives if they have not updated their own interconnection rules or procedures within the past five years, or if the Commission determines a municipally owned utility or electric cooperative’s interconnection rules or procedures are a barrier to investment in new capacity. Alternatively, we propose that the Commission host workshops between DER providers, electric utilities, municipally owned utilities, and cooperatives to

determine a standardized approach to interconnections for adopted by municipally owned utilities and cooperatives.

### III. CONCLUSION

TSPA and SEIA appreciate the opportunity to provide these Reply Comments on Staff's Discussion Draft and look forward to working with the Commission and other interested parties on these issues.

Respectfully submitted,



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**EXECUTIVE SUMMARY  
JOINT REPLY COMMENTS OF TEXAS SOLAR POWER ASSOCIATION AND SOLAR  
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- Texas Solar Power Association and Solar Energy Industries Association (collectively, Solar Associations) agree with most stakeholders that the Commission should hold a stakeholder process or workshop before publishing the proposed rule or retain §25.211 for small scale projects.
- Solar Associations continue to strongly support retaining §25.211 for small-scale projects to avoid unnecessarily subjecting these projects to unreasonably burdensome regulations that will not improve grid reliability or the interconnection process.
- Solar Associations disagree with some commenters that suggest the definition of a distribution resource should either be removed or not apply to generators of certain sizes. Solar Associations continue to urge the Commission to define the term as “distributed energy resource” consistent with the national industry standard.
- Solar Associations recommend modifying Pecan Street’s proposal to automatically incorporate revised IEEE standards and amendments into the Commission’s rules. Solar Associations recommend the Commission create a process that will allow affected parties to request a contested case hearing if some future standards pose potential problems. Such a request would stay these new requirements until the conclusion of the contested case hearing.
- Solar Associations oppose Oncor’s suggestion to remove interconnection timelines from the rule. Solar Associations strongly support identified timelines so that distributed generation resources can have regulatory certainty in the planning and execution of projects and better manage the costs and requirements of interconnection.
- Solar Associations request that utilities provide additional information to the Commission Staff and stakeholders on their proposed alternative rules, perhaps at the proposed workshop, before the Commission staff considers these proposals.
- Solar Associations disagree with CenterPoint Energy’s suggestion that pre-screening studies must be based on the aggregated DER facilities attached to a feeder because this proposed requirement may be too limiting if those DERs are either not yet installed or capable of being dispatched.

- Solar Associations agree with ERCOT and Joint Storage Commenters that the 10 MW limit be removed for distributed energy resources. Some utilities can accommodate larger loads, ERCOT protocols allow for a rating over 10 MW, and there is no reliability concern. Solar Associations disagree with SPS that the 10 MW limit should be implemented.
- Solar Associations disagree with ERCOT and several utilities on the metering recommendations for behind the meter devices that meet specified certification standards. Solar Associations instead recommend that ERCOT should manage any complexities in the Settlement Metering Operating Guide rather than creating a prohibition in the rule.
- Solar Associations oppose SPS' recommendation to eliminate the requirement to notify resources of outages as soon as reasonably practicable. Distribution resource providers and customers cannot reasonably participate in this market if they will experience an unscheduled outage for an indeterminate amount of time.
- Solar Associations oppose SPS' recommendation to subject non-exporting resources to the rule. Those devices cannot interfere with the DSP's system. It is unreasonable and regulatory over-reach to impose those requirements on non-exporting generation.
- Solar Associations disagree, as a matter of policy, with the municipalities and cooperatives that oppose a standardized set of interconnection requirements for all resources and customers.