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PROJECT NO. 54233

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

**DISCUSSION DRAFT COMMENTS OF
TEXAS ELECTRIC COOPERATIVES, INC.**

Texas Electric Cooperatives, Inc. (TEC) respectfully submits these comments in response to the Public Utility Commission of Texas (Commission) Staff's (Staff) request for comments on the discussion draft related to new 16 Texas Administrative Code (TAC) § 25.210 - § 25.212.¹ TEC is the statewide association of electric cooperatives operating in Texas, representing its members except as their interests may be separately represented.² The request for comments directs comments to be filed by June 27, 2025. These comments are timely filed.

I. Staff Questions

1. What factors and risks should the commission consider when weighing technological innovations against the need for standardized DER technical requirements, including how such standardized requirements may relate to the safety of utility personnel?

TEC is supportive of and appreciates the framing of this rulemaking in terms of the implications it may have for the safety of utility personnel. TEC believes that chief among the Commission's concerns in considering these rules should be safe and reliable distributed energy resource (DER) operations, with "technological innovations" being a lesser consideration. Regarding standardization, TEC's member systems understand the objective of instituting robust safety and reliability requirements on DER operators. However, while standardization has the potential to increase safety, TEC cautions that across-the-board uniform standards may have the unintended consequence of less safe operations. Due to the variation in distribution system characteristics, it is vital that local distribution system operators be given flexibility in the connection of DERs and not be subjected to standardized technical requirements that override the best judgment of local operators.

¹ Discussion Draft and Associated Forms for DER Interconnection Rules (§§25.210-25.212) and Request for Comments (May 14, 2025).

² TEC's 76 members include distribution cooperatives that provide retail electric utility service to approximately 5,000,000 consumers in statutorily authorized service areas that encompass more than half of the total area of the state. TEC's G&T members generally acquire generation resources and power supply for their member distribution cooperatives and deliver electricity to them at wholesale.

To put this into perspective, during a disaster event, when mutual assistance line crews enter the service territory of an affected distribution provider, a certain level of onboarding and orientation may be required before the assisting crews can enter the field. This is due to the fact that each distribution system is subject to different local conditions that may impact system operations. Likewise, local distribution system characteristics can impact safe and reliable DER operations.

In recognition of the fact that distribution systems have differing characteristics that can impact safe system operations, TEC recommends the Commission defer to local distribution system operators that have unique insight into the safe operation of these systems. Some of the risks associated with DER operations include reverse power flows that may strain utility facilities, increasing system degradation; unexpected flow of power on a de-energized circuit that can damage equipment and endanger line workers; and general risks associated with DER operations such as lithium battery fires. These risks may vary depending on the configuration of the system. While some level of standardization could serve to protect the safety of utility personnel, TEC recommends a level of flexibility for local operators to manage the safe operation and restoration of these facilities in accordance with the needs of the local distribution system.

TEC is not opposed to DER operations – rather, these resources may provide value to the system if integrated appropriately. But DERs must operate in accordance with the safety and reliability requirements of the local electric systems. The Commission should prioritize the safety and reliability of operations of the electric system, as best determined by the local operator, over any desire for standardized DER requirements, to the extent those two goals conflict. TEC further recommends the desire for innovative DER capabilities not be placed ahead of the paramount need to safeguard the public.

2. Whether and to what extent §25.210 (>250 kW “large” DER interconnection standards) should apply to municipally-owned utilities and electric cooperatives.

Proposed §25.210 should have minimal applicability to cooperatives and municipally owned utilities (MOU) and only in the form of reporting requirements. Cooperatives and MOUs have exclusive jurisdiction over the terms and conditions of access to their distribution systems.³ The Commission may require reporting for certain statutorily enumerated purposes⁴ and may set

³ Public Utility Regulatory Act (PURA) § 41.055(1), (6), and (7) and § 40.055(1), (6) and (7).

⁴ PURA § 41.004(5).

rates and terms of access for wholesale transmission service as it relates to transmission level facilities owned by the cooperative or MOU.⁵ Specifically, PURA § 35.004(a) states: “An electric utility or transmission and distribution utility *that owns or operates transmission facilities* shall provide wholesale transmission service at rates and terms, including terms of access, that are comparable to the rates and terms of the utility’s own use of its system.”⁶ Among other provisions in statute, this qualifying language establishes the limits of the Commission’s jurisdiction as it relates to wholesale transmission service for facilities interconnected with a cooperative or MOU’s distribution system. TEC will not restate the full extent of its prior arguments on this matter but rather refers the Commission Staff to its previously filed comments in this docket.⁷ Ultimately, the applicability of the current and proposed new interconnection standards to electric cooperatives is constrained by statute. TEC believes the Commission Staff’s discussion draft appropriately reflects this statutory limitation, and TEC appreciates the recognition of cooperatives’ statutory framework.

II. Proposed § 25.210, DERs Over 250kW

As TEC understands the current proposal, the only subsections of § 25.210 that apply to electric cooperatives are (c)(1), (h) and (k). TEC will limit its comments to these subsections.

Subsection (h) relates to reports required regarding DER applications. TEC does not object to reporting the required information, as long as the distribution service provider (DSP) is not held liable for any inaccurate information submitted by the DER. However, it may be more efficient if the Commission required the DER to file that information directly with the Commission upon its application with the DSP and remove the required reporting of the DSP entirely. This eliminates the middleman and still provides the information desired by the Commission. The DSP can still file annual reports to give the Commission an overview of broader system impacts.

The discussion draft is silent in subsection (h) regarding required record retention, which leaves certain questions unanswered. Clarity on the duration for which the local distribution provider is required to maintain records regarding DER applications may assist entities with compliance.

⁵ PURA § 35.004(a) and (b). *See* PURA § 41.004(1) and PURA § 40.004(1).

⁶ PURA § 35.004(a) (emphasis added).

⁷ Comments of Texas Electric Cooperatives, Inc. (Jan. 6, 2023); Reply Comments of Texas Electric Cooperatives, Inc. (Jan. 18, 2023); Comments of Texas Electric Cooperatives, Inc. (Jul. 21, 2023); Comments of Texas Electric Cooperatives, Inc. (Jul. 28, 2023).

Proposed subsection (k) relates to a requirement for each DSP, including cooperatives and MOUs, to file an open access tariff for wholesale transmission service at distribution voltage within one year from the effective date of the proposed rule. Certain TEC member systems do not provide wholesale transmission service at distribution voltage (WTSDV), yet under the proposal these entities must develop a tariff and make this filing.

Requiring the filing of a WTSDV tariff where no such service has been requested is unnecessarily costly and inefficient. Many TEC members will be required to incur the time and expense of preparing and filing a tariff, which will involve using current costs to develop a rate for a future, potentially unused service, without a customer requesting the service or being entitled to notice of the filing. Further, once the tariff is filed, if the underlying cost of service changes prior to providing WTSDV, that DSP will then be required to again incur the time and expense of filing a new tariff to update its costs and replace an old tariff that never had any practical effect. This is a wasteful duplication of effort and resources for the DSP and the Commission. While TEC understands the DER operators' desires for rate information so that they may evaluate economics or shop distribution systems, having accurate rate information may not be feasible until after a request for service is made. Accordingly, TEC opposes this tariff pre-filing requirement. TEC recommends that the Commission instead require the filing of a WTSDV tariff within 30 days following receipt of a complete application for the service. A complete application must include all of the information requested by the utility including any clarifications requested by the utility. This filing requirement is pursuant to existing requirements in §25.191 (d)(2)(C).⁸

III. Proposed § 25.211, DERs of 250kW or Less

The only section of proposed § 25.211 that applies to electric cooperatives is subsection (n).⁹ This language already exists in current rule.¹⁰ TEC has no comments to this section.

IV. Conclusion

TEC commends Commission Staff's diligent and hard work regarding DER requirements and, except as stated herein, largely supports the refinements made in the current discussion draft.

⁸ 16 TAC §25.191 (d)(2)(C).

⁹ PFP at 43 – 44; proposed 16 TAC § 25.211 (n).

¹⁰ 16 TAC § 25.211 (o).

TEC appreciates the opportunity to provide comments in response to the discussion draft and looks forward to working with Staff and other stakeholders on this project.

Dated: June 27, 2025

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Zachary Stephenson', is positioned above a horizontal line.

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Executive Summary

Texas Electric Cooperatives, Inc. (TEC) makes the following recommendations:

- 1) The Commission should prioritize the safety and reliability of the electric system and give appropriate deference to the judgment and expertise of local distribution system operators.
- 2) Electric cooperatives and MOUs have statutory jurisdiction over the rates and terms of access related to their local distribution systems. The Commission's rules regarding DER interconnections must respect this statutory authority.
- 3) Proposed § 25.210 (h):
 - a. Staff may want to consider requiring direct reporting from the DER to the extent possible in order to remove the middleman and receive more direct information.
 - b. Staff should clarify the length of time that records will be required to be maintained by the local DSP.
- 4) Proposed § 25.210 (k): Remove the requirement that all DSPs file a WTSDV tariff within one year. Instead, require the filing of a WTSDV tariff within 30 days after receipt of a complete application from those DSPs that do not already have one on file with the Commission.