

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19R-0654E

IN THE MATTER OF THE PROPOSED AMENDMENTS TO RULES REGULATING
ELECTRIC UTILITIES, 4 CODE OF COLORADO REGULATIONS 723-3, RELATING
TO INTERCONNECTION PROCEDURES AND STANDARDS.

**DECISION GRANTING, IN PART, AND DENYING,
IN PART, APPLICATIONS FOR REHEARING,
REARGUMENT, OR RECONSIDERATION**

Mailed Date: May 17, 2021
Adopted Date: May 12, 2021

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I. BY THE COMMISSION**A. Statement**

1. Through this Decision, the Commission addresses two Applications for Rehearing, Reargument, or Reconsideration (RRR) of Decision No. C21-0183. Both Applications were filed on April 19, 2021 — the first by Public Service Company of Colorado (Public Service or Company), and the second (jointly) by the Colorado Solar and Storage Association and the Solar Energy Industry Association (COSSA/SEIA).

2. The RRRs request the Commission reconsider or clarify certain aspects of Decision No. C21-0183, issued in this rulemaking proceeding on March 30, 2021. That Decision addressed exceptions filed by several rulemaking participants to Recommended Decision No. R20-0773, which was issued by Administrative Law Judge (ALJ) Steve Denman in this rulemaking on November 5, 2020. By Decision No. C21-0183, the Commission granted, in part, and denied, in part, the exceptions to the ALJ's recommended decision and adopted revised rules governing Interconnection Rules and Procedure (Interconnection Rules). The adopted revised Interconnection Rules will be located within the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (CCR) 723-3, at 4 CCR 723-3-3875 *et seq.*

3. By this Decision, the Commission grants, in part, and denies, in part, the RRRs filed by Public Service and COSSA/SEIA. The final adopted Interconnection Rules are attached to this Decision in legislative format (*i.e.*, ~~strikeout~~/underline) as Attachment A, and in final format as Attachment B.

B. Applications for RRR**1. Public Service****a. Rule 3855(a)(V)**

4. In its RRR, Public Service requests the Commission reconsider the modified language contained within Rule 3855(a)(V) that requires a tariff amendment process for utility tools used to perform screening functions. Public Service states that Decision No. C21-0183 addresses the Exceptions filed concerning Rule 3855(a), however, the Company states there is no discussion within the decision that addresses the newly-modified language of Rule 3855(a)(V). The Company explains that common utility tools include, but are not limited to, load flow software, fault analysis software, and the use of software performing standard and verified engineering calculations. The Company emphasizes that where such tools can be used in effective and efficient safety and reliability screening, they should not be unduly burdened by requiring approval via the tariff amendment process.

5. Public Service argues that the modified language contradicts the spirit and intent of the Commission's finding concerning Rule 3859 where the Commission agreed with Public Service and recommended changes to 3855(a)(V). As Public Service notes in its RRR, Decision C21-0183 states that:

We agree with the utilities that Advice Letters and Tariffs are litigation-prone, and that it would be challenging to transfer contents of an Interconnection Manual into a tariff sheet. The utilities also point out that frequent litigation may be the result demonstrating regulatory inefficiencies in implementing any critical updates that may impact the safety and reliability of the Company's distribution system.¹

¹ Public Service's RRR at p. 3. (footnote omitted)

6. The Commission grants Public Service's RRR on this issue. We agree that by subjecting utility tools to the tariff amendment process, the Commission would unduly burden the utilities. We agree that material modifications to utility tools and Interconnection Manuals will be treated in the same manner as its Informational Notice finding within Rule 3959.

b. Miscellaneous Edits and Clarifications

7. Public Service suggested various grammatical changes and non-substantive edits to improve readability or accuracy of the Interconnection Rules. The Commission appreciates these suggestions, and the Interconnection Rules that we adopt today will reflect these changes and edits.

2. Public Service and COSSA/SEIA

a. Rules 3852(b), 3852(l), 3855(b)(V), and 3857 (IEEE 1547-2018 Standard)

8. In its RRR, both Public Service and COSSA/SEIA state they have recently learned through Underwriters Laboratories (UL), that there will be a delay in the inverter certification IEEE 1547-2018 standard. UL presented to parties at California's Smart Inverter Working Group on April 15, 2021, that UL identified numerous omissions, errors, and conflicts that can negatively impact interpretations and resulting Nationally Recognized Testing Laboratory (NRTL) certifications testing to IEEE 1547-2018 and IEEE 1547.1-2020. As a result, a new UL 1741-SB task group has been created to resolve open issues, which will be followed by a ballot to approve, with a best case scenario that by September there will be a standard method to certify IEEE 1547-2018 inverters by an NRTL.

9. Both Public Service and COSSA/SEIA note that several Adopted Rules, including Rules 3852(b), 3852(l), 3855(b)(V), and 3857 include provisions that state that after January 1,

2022, DERs must comply with IEEE 1547 (2018) and/or UL 1741-SA. Public Service notes that Hawaiian Electric Company is requesting that regulators extend this deadline to April 2022 in lieu of January 2022, which is currently the deadline established in this rulemaking.

10. In its RRR filing, COSSA/SEIA urges the Commission to clarify that implementation of certain codes and standards would ensure that there are sufficient products certified and available on the market when implementation begins. COSSA/SEIA note that in Public Service's response to exceptions, the Company agreed with COSSA/SEIA that "advanced inverter functionality should not be turned on within inverters until such advanced functions are tested and certified as compliant to IEEE 1547-2018."²

11. The Commission grants the RRR of both Public Service and COSSA/SEIA that facilitate flexibility and apply to the following Interconnection Rules: Rule 3852(b); Rule 3852(l); Rule 3855(b)(V); and Rule 3857. We agree with Public Service and COSSA/SEIA regarding the need for flexibility in implementing codes and standards requirements that are actually achievable from a commercial perspective. We agree that given the uncertainty concerning the certification timeline, flexibility should be placed within the Interconnection Rules to avoid any unnecessary variances to this effect.

3. COSSA/SEIA

a. Rule 3853(i)

12. COSSA/SEIA raise a new issue on RRR to resolve what they believe is a previously unnoticed ambiguity in Adopted Rule 3853(i). Adopted Rule 3853(i) sets the threshold for monitoring energy storage systems at 25kW, but COSSA/SEIA argues this seems to

² COSSA/SEIA's RRR at p. 10.

imply that the 25kW threshold is tied to the total system size of the interconnection resource rather than the size of the energy storage system itself. The Adopted Rule states, “[f]or *systems* below 25 kW AC, additional metering shall not be installed for the purposes of monitoring energy storage systems” (emphasis added).

13. COSSA/SEIA suggest a revision that in their view better complies with Colorado law and is consistent with the newly adopted Level 1 process thresholds for solar + storage (S+S) interconnections, which allow 25 kW of generation to be paired with up to 25 kW of energy storage.

14. We agree with COSSA/SEIA, who point out that § 40-2-130(3)(d), C.R.S., requires the Commission to set a threshold, which limits additional metering requirements for monitoring energy storage only to “large *energy storage* systems” – not large “systems.” COSSA/SEIA points out that under Adopted Rule 3853(i) a customer with a 25 kW solar system and 1 kW energy storage system could still be subject to additional metering because the overall “system” size would be 26 kW on a nameplate basis. The Commission’s intent is to avoid additional metering requirements for small Level 1 eligible interconnection resources, and therefore we set the 25 kW threshold based on the size of the energy storage system.

b. Rule 3853(q)

15. In their RRR, COSSA/SEIA recommend changes to Rule 3853(q)(III)(E), regarding more reporting requirements for the entire Level 3 review process (beyond the system impact study). COSSA/SEIA argue that given the Commission’s interest in investigating delays in Public Service’s Level 3 process and given that the Level 3 process is the primary process used for Community Solar Gardens (CSGs), COSSA/SEIA ask the Commission to reconsider adopting reporting requirements that would cover the entire Level 3 process. COSSA/ SEIA state

that as written, the Adopted Rules only require utilities to report on system impact studies, which are only one of three potential studies in the Level 3 process.

16. We deny COSSA/SEIA's request for reporting requirements for the Level 3 process. We acknowledge that CSG developers typically use the Level 3 interconnection process and did so for the projects at issue in Proceeding No. 20D-0262E. However, the RRR filing has not provided new information or persuasive arguments that convince us to reverse our previous decision. We note that Proceeding No. 20D-0262E demonstrated that there are certain issues with Level 3 interconnections under the currently-effective Rules. However, more transparency and accountability are needed for the Commission's long-term understanding of Level 3 interconnections and any needed policy fixes that may prove necessary in the future. COSSA/SEIA argue that delays in obtaining interconnection studies were some of the issues raised in the Petition for Declaratory Order filed on June 17, 2020, by SunShare, LLC, however, they did not point specifically to Feasibility or Facility studies. After Commission Trial Staff conducts its investigation of the Interconnection processes, the Commission should better understand whether additional reporting requirements would be reasonable.

(1) Rule 3856(b)(I)

17. Finally, COSSA/SEIA note that the Adopted Rules do not have any deadline by which utilities must complete a Feasibility Study, which is often the first study in the Level 3 process. COSSA/SEIA believe this may be an oversight, as the ALJ's Recommended Decision explicitly states that "[e]nsuring certainty for both interconnection customers and the utilities is important in the Level 3 feasibility study process, and establishing reasonable timeframes will assist to accomplish this objective."³

³ COSSA/SEIA RRR at p. 2. (emphasis omitted)

18. COSSA/SEIA argue that a 30-day Feasibility Study timeframe is reasonable because it is consistent with the Federal Energy Regulatory Commission (FERC) Small Generation Interconnection Procedures (SGIP) and therefore consistent with the study deadlines established in Rules 3856(c) and (d). COSSA/SEIA argue that having specific timeframes for when the utilities must provide various Level 3 studies also comports with procedures in other states, many of which also include model study agreements. COSSA/SEIA add that including study deadlines is also consistent with the Interstate Renewable Energy Council's (IREC) Model Interconnection Procedures.

19. We grant COSSA/SEIA's RRR to adopt a 30-day timeframe for utilities to complete a Feasibility Study. As Public Service pointed out in its Exceptions, COSSA/SEIA's recommendation on Exceptions to adopt a 15-day deadline for Feasibility Studies in its exceptions is misaligned with the FERC SGIP timeline of 30 days. Public Service requested in that filing that the Commission ensure that Level 3 studies, including Feasibility Studies align with FERC SGIP. We agree that establishing a Feasibility Study timeline that meets FERC's SGIP, as well as IREC's model IC procedures is an important tool to ensure timely completion of larger distributed resources, such as CSGs.

II. ORDER

A. The Commission Orders That:

1. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C21-0183 filed by Public Service Company of Colorado on April 19, 2021, is granted consistent with the discussion above.

2. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C21-0183 filed by Colorado Solar and Storage Association and the Solar Energy Industry

Association on April 19, 2021, is granted, in part, and denied, in part, consistent with the discussion above.

3. Rules implementing the Interconnection Procedures within the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* 723-3, contained in legislative (*i.e.*, strikeout/underline) format (Attachment A), and final format (Attachment B) are adopted, and are available through the Commission's Electronic Filings system at:

https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=19R-0654E

4. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

5. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 12, 2021.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners