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PROJECT NO. 39797

RULEMAKING TO IMPLEMENT §
SB 365 & SB 981 RELATING TO §
DISTRIBUTED GENERATION §
§

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BEFORE THE PUBLIC UTILITY COMMISSION
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COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION¹

Established in 1974, the Solar Energy Industries Association (SEIA) is the national trade association of the U.S. solar energy industry. Through advocacy and education, SEIA is working to build a strong solar industry to power America. As the voice of the industry, SEIA works with its 1,100 member companies 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. The comments contained in this filing represent the position of SEIA as an organization, but not necessarily the views of any particular member with respect to any issue.

OVERVIEW

SEIA generally supports the Public Utility Commission of Texas’s (“PUC”) proposed rule changes to implement the legislative changes made during the regular session of the 82nd Legislature in SB 365 by Ogden and SB 981 by Carona, respectively. These two pieces of legislation were designed by the legislature to facilitate the installation of more distributed renewable and natural gas generation in Texas. SB 981, which clarifies who may own distributed renewable generation and eliminates some of the regulatory hurdles to such ownership that may have existed prior to the passage of SB 981, is most relevant to SEIA’s work. However, SEIA requests that the commission staff make several clarifications relevant to both distributed renewable and distributed natural gas generation.

SPECIFIC COMMENTS

While SEIA supports the basic changes proposed by Staff to PUCT Rule 25.211, and 25.217, we suggest several clarifications of confusing or inconsistent provisions.

¹ On January 1, 2012, The Solar Alliance merged with the Solar Energy Industries Association.

1. **Inconsistent definitions of facilities:** The addition of the new statutory definition of “distributed natural gas generation facility” in Sec. 25.211(c)(4) may be construed to conflict with or be inconsistent with the existing definition of “facility” immediately following in Sec. 25.211(c)(5). Specifically, the strict 2000 kilowatt limit for distributed natural gas facilities behind the customer’s side of the meter in the proposed subdivision (4) could be construed to be in conflict with the existing subdivision (5)’s allowance that the *“total capacity of a facility’s individual on-site distributed generation units may exceed ten megawatts (MW); however, no more than ten MW of a facility’s capacity will be interconnected at any point in time at the point of common coupling under this section.”* These two subdivisions taken together could be interpreted such that a facility may include 10 or more megawatts from a variety of distributed generation sources, but that only 2000 kilowatts may come from natural gas. SEIA requests that commission staff clarify the inconsistent definition of “facility” in Sec. 25.211(c)(4).

2. **Inconsistent definitions around “parallel operation”:** The PUCT proposed rule defines a distributed renewable generation owner (“DRGO”) as *“a retail electric customer on whose side of the meter DRG is installed and operated, regardless of whether the customer takes ownership of the distributed renewable generation; or a person who by contract is assigned ownership rights to energy produced from DRG located at the premises of the customer on the customer’s side of the meter.”* This definition exactly mirrors SB 981.

The current rule in Sec. 25.211(c)(11) defines parallel operation as *“the operation of on-site distributed generation by a customer while the customer is connected to the company’s utility system”* and subsection (a)(6) defines “interconnection” as having the intended result that *“parallel operation can occur.”* These definitions are somewhat contradictory and confusing; the definition of DRGO indicates that a customer qualifies as a DRGO if DRG is located on their side of the meter. The parallel operation and interconnection definitions imply that a customer must operate the DRG to be a DRGO. **SEIA suggests clarifying the proposed Staff language by changing the definition of parallel operation to be “the operation of on-site DG located on the customer’s side of the meter while the customer is connected to the company’s utility system.”**

3, **Interconnection dispute resolution process:** The PUCT proposed rulemaking amending Sec. 25.211 strikes language in subsection (o) requiring the Electric Division to “attempt to informally resolve complaints within 20 business days of the date of receipt of the complaint” and directing unresolved complaints to “be presented to the Commission at the next available open meeting.” Commission staff offered no rationale for striking this dispute resolution language. SEIA recommends that the PUCT maintain or develop a clear process for dispute resolution to ensure timely development of DG, both gas-fired and renewable.

CONCLUSION

SEIA appreciates the work staff has done on this matter and the opportunity to comment on these proposed rule changes. SEIA believes that the suggestions made here should help clarify the proposed rule changes to avoid confusion or conflict, as well as provide added consistency with the legislative intent of SB 981 and SB 365.

Respectfully submitted,

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