

PROJECT NO. 41325

RULEMAKING TO AMEND	§	PUBLIC UTILITY COMMISSION
SUBSTANTIVE RULE 25.211,	§	
INTERCONNECTION OF ON-SITE	§	OF TEXAS
DISTRIBUTED GENERATION (DG),	§	
AND THE PRO-FORMA DG	§	
INTERCONNECTION AGREEMENT	§	
AND TARIFF	§	

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §25.211
AS APPROVED AT THE SEPTEMBER 12, 2013 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §25.211, relating to Interconnection of On-Site Distributed Generation (DG). The proposed amendment modifies §25.211 by adopting the Pro-Forma DG Interconnection Agreement and Tariff into the rule. The proposed amendment will also modify the Interconnection Agreement to include options regarding indemnification and choice of law for parties entering into an agreement with a federal agency. In addition, the proposed amendment includes modifications to the Interconnection Agreement to implement the requirement in §25.211(n) that the owner of a distributed generation facility report to the utility any change in ownership of the facility and the cessation of operations of the facility within 14 days of such change. Project Number 41325 is assigned to this proceeding.

Christine Wright, Senior Policy Analyst, Infrastructure and Reliability Division, has determined that for each year of the first five-year period the proposed amendment is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the amendment.

Ms. Wright has determined that for each year of the first five years the proposed amendment is in effect the public benefit anticipated as a result of enforcing the amendment will be the customer's access to on-site distributed generation. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing the amendment. Therefore, no regulatory flexibility analysis is required. There is no anticipated economic cost to persons who are required to comply with the amendment as proposed.

Ms. Wright has also determined that for each year of the first five years the proposed amendment is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

The commission solicits comments on the following question:

Do amendments need to be made to the rule, tariff, application, or interconnection agreement to effectuate third-party ownership of distributed renewable generation pursuant to Public Utility Regulatory Act §39.916 and §25.217 of this title?

The commission proposes that tariff amendments that comply with the rule amendment be filed by 15 days after the effective date of the rule amendment.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, beginning at 9:30 a.m. on Friday, October 25, 2013, at the commission's offices located in the William B. Travis

Building, 1701 North Congress Avenue, Austin, Texas 78701. The request for a public hearing must be received by Friday, October 11, 2013.

Initial comments on the proposed amendment may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 by Monday, October 28, 2013. Reply comments may be submitted by Monday, November 11, 2013. Sixteen copies of comments to the proposed amendment are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed amendment. The commission will consider the costs and benefits in deciding whether to adopt the amendment. All comments should refer to Project Number 41325.

The amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (West 2007 and Supp. 2012) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically, §14.001, which provides the commission with the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; §32.101, which requires an electric utility to file its tariff with each regulatory authority; §36.003, which requires that each rate be just and reasonable and not unreasonably preferential, prejudicial, or discriminatory; §38.001, which requires an electric utility to furnish service, instrumentalities, and facilities that are safe,

adequate, efficient, and reasonable; and PURA § 39.101(b)(3) which requires the commission to ensure that customers have access to on-site distributed generation and to providers of energy generation by renewable energy resources.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.001, 14.002, 32.101, 36.003, 38.001, and 39.101(b)(3).

§25.211. Interconnection of On-Site Distributed Generation (DG).

(a)-(b) (No change.)

(c) **Definitions.** The following words and terms when used in this section and §25.212 of this title shall have the following meanings, unless the context indicates otherwise:

(1) **Application for interconnection and parallel operation**~~with the utility system or application~~--The ~~standard~~ form of application prescribed in subsection (q) of this section~~approved by the commission.~~

(2)-(6) (No change.)

(7) **Interconnection agreement**--The ~~standard~~ form of agreement,~~which has been approved by the commission and~~ prescribed in subsection (p) of this section. The interconnection agreement sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system.

(8)-(15) (No change.)

(16) **Tariff for interconnection and parallel operation of distributed generation**--The ~~commission approved~~ tariff for interconnection and parallel operation of distributed generation prescribed in subsection (q) of this section,~~including the application for interconnection and parallel operation of distributed generation and pre-interconnection study fee schedule.~~

(17)-(18) (No change.)

(d) **Terms of Service.**

(1)-(4) (No change.)

(5) **Tariffs.** No later than 30 days after the effective date of this section as amended, each electric utility shall file a tariff or tariffs for interconnection and parallel operation of distributed generation in conformance with the provisions of this section. This provision does not require a utility that filed an interconnection study fee tariff prior to the effective date of this rule as amended to refile such tariff. The utility may file a new tariff or a modification of an existing tariff. Such tariffs shall ensure that back-up, supplemental, and maintenance power is available to all customers and customer classes that desire such service, if the electric utility sells electricity. Any modifications of existing tariffs or offerings of new tariffs relating to this subsection shall be consistent with the form prescribed in subsection (q) of this section. As part of the tariff filing required by commission-approved form. ~~Concurrent with the tariff filing in~~ this section, each utility shall submit:

- (A) a schedule detailing the charges foref interconnection studies and all supporting cost data for the charges;
- (B) ana-standard application for interconnection and parallel operation of distributed generation; and
- (C) the interconnection agreement prescribed in subsection (p) of this section approved by the commission.

(e)-(l) (No change.)

(m) **Time periods for processing applications for interconnection and parallel operation**~~with the utility system.~~ In order to apply for interconnection the customer

shall provide the utility a completed application for interconnection and parallel operation ~~with the utility system~~. The interconnection of distributed generation ~~to the utility system~~ shall take place within the following schedule:

- (1) For a facility with pre-certified equipment, interconnection shall take place within four weeks of the utility's receipt of a completed ~~interconnection~~ application.
- (2) (No change.)
- (3) If interconnection of a particular facility will require substantial capital upgrades to the utility system, the company shall provide the customer an estimate of the schedule and customer's cost for the upgrade. If the customer desires to proceed with the upgrade, the customer and the company will enter into a contract for the completion of the upgrade. The interconnection shall take place no later than two weeks following the completion of such upgrades, except in situations in which a customer is not able to connect within two weeks following the completion of such upgrades, this time may be extended by agreement of the electric utility and the customer. The utility shall employ best reasonable efforts to complete such system upgrades in the shortest time reasonably practical.
- (4) (No change.)
- (5) All applications for interconnection and parallel operation ~~of distributed generation~~ shall be processed by the utility in a non-discriminatory manner. Applications ~~shall~~will be processed in the order that they are received. It is recognized that certain applications may require minor modifications while they are being reviewed by the utility. Such minor modifications to a pending

application shall not require that it be considered incomplete and treated as a new or separate application.

(n)-(o) (No change.)

(p) Agreement for Interconnection and Parallel Operation of Distributed Generation.

FIGURE: §25.211 (p)(1)

(q) Tariff for Interconnection and Parallel Operation of Distributed Generation.

FIGURE: §25.211 (q)(1)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 12th DAY OF SEPTEMBER 2013 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**