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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3153
May 26, 1989

R E S O L U T I O N

RESOLUTION E-3153. SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E), ELECTRIC DEPARTMENT. ORDER AUTHORIZING REVISION OF ELECTRIC RULE NO. 21, CUSTOMER-OWNED GENERATION--QUALIFIED FACILITIES, TO REVISE THE LIMIT OF GENERATION ALLOWED WITHOUT REQUIRING A DEDICATED TRANSFORMER. ADVICE LETTER 765-E, FILED APRIL 20, 1989.

SUMMARY

1. By Advice Letter 765-E, filed April 20, 1989, SDG&E requests authorization to revise Sections E.2., J.1.d. and J.3.b. of Electric Rule 21, Customer-Owned Generation--Qualified Facilities, in order to revise the limitation on generation without requiring a dedicated transformer.
2. This resolution grants SDG&E's request.

BACKGROUND

1. Section E.2. of Rule 21 relates to Customer-owned Generation of less than 100kw, where service is provided at or below 480 V. This section requires customer-owned generators greater than 10kw to be served by a dedicated distribution transformer.
2. The initial 10kw generation limit, without requiring a dedicated transformer, was adopted about 10 years ago and was the culmination of discussions with other California utilities and the Commission Staff. The objective was to have a uniform design criteria within California such that all generators would be treated equally. At that time, the quality of the power that would be available from customer generation was not established, and to be on the conservative side, the dedicated transformer appeared to be the best method to minimize adverse affects on other customers.
3. In the interest of minimizing the expense of small cogenerators, it was decided to set the requirements at 10kw and

above. All of the California investor-owned utilities initially had this same criteria.

DISCUSSION

1. Over the past several years, SDG&E gained appreciable experience with customer-owned generation. The problems with the quality of power, which was a major concern early on, never materialized. The reason that the power quality problems did not occur was due primarily to the fact that almost every customer-owned generator under 100kw on SDG&E's system is an induction generator.

2. Based on this experience, the utility feels justified in revising the criteria to allow induction generators up to 100kw to be installed without the requirement of the dedicated transformer, provided short circuit limitations are met.

3. The power quality criteria will remain as currently stated in Rule 21. The utility believes that these criteria are sufficient to define customer power quality performance requirements, even with the proposed change in the requirement for a dedicated transformer.

4. SDG&E proposes to revise Section E.2. of Rule 21 to indicate that a dedicated transformer will not be required for any generator under 10kw or for any induction generator of 100kw or less conditioned upon the utility retaining immediate, 24 hour access to all interconnection facilities as provided in Rule 16.A.1.a.(1).

5. SDG&E proposed this revision in response to a request made by the San Diego Cogeneration Association (SDCA) for a relaxing of the interconnection requirements. SDG&E and SDCA have discussed the requested revision and have agreed that the proposed increase to 100kw for induction generators only, represents an acceptable alternative, and in no way compromises SDG&E's system protection.

6. Section J.1.d., relates to the responsibility of customers for Interconnection and Line Extension/Line Upgrade Facility Costs. SDG&E proposes to revise this section to reflect the reflect the previously-authorized closure of Schedule PG-QF as of June 30, 1989, to facilities having demands above 20kw. Section J.1.d., also allows an exception to those customers

remaining on Schedule AD after June 30, 1987, the date that Schedule AD was closed to new customers.

7. Section J.3.b. relates to the customer payment for Customer Installation of the Interconnection and Line Extension/Line Upgrade Facilities (exclusive of metering). Wording has been added to indicate that the customer's payment will include a 28% income tax payment on the Contribution In Aid of Construction (CIAC). This results from the Tax Reform Act of 1986.

8. The utility alleges that the proposed revisions will have no impact on specific rates or charges. To the extent that the revision of Section E.2. results in lower interconnection costs to specific customers, by eliminating the requirement to install a dedicated transformer in certain instances, that specific customer will realize savings in his total interconnection cost. Since such costs, will not be incurred by SDG&E, the utility and its remaining customers will not be impacted.

9. The Commission Advisory and Compliance Division (CACD) believes that these revisions will provide a benefit to both the utility and the cogenerators by removing a restriction that has been proven by experience to be unnecessary. Therefore, CACD recommends its approval.

10. The utility alleges, and CACD concurs, that this filing will not increase any rate or charge, conflict with other schedules or rules, nor cause the withdrawal of service.

11. Public notification of this filing has been made by mailing copies of this advice letter to other utilities, governmental agencies and to all parties who requested such notification. The CACD has received no protests in this matter.

FINDINGS

1. Section E.2. of Rule 21 should be revised to remove the requirement that customer-owned generators of less than 100 kW be served by a dedicated transformer if it is an induction generator.

2. Section J.1.d. of Rule 21 should be revised to indicate that customer payments of Contributions in Aid of Construction should include a 28% component for income tax effect.

3. The utility requests that this filing, if approved, become effective upon regular 40-day statutory notice. This request should be granted.

THEREFORE, IT IS ORDERED that:

1. San Diego Gas & Electric Company is authorized under Section 490 of the Public Utilities Code to place Advice Letter 765-E and accompanying tariff sheets into effect on May 30, 1989, which constitutes regular 40 day statutory notice.

2. Advice Letter 765-E and accompanying tariff sheets shall be marked to show that they were authorized for filing by Commission Resolution E-3153.

3. The effective date of this order is the date hereof.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 26, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners



Executive Director