

CAPITOL OFFICE
1021 O STREET, SUITE 7610
SACRAMENTO, CA 95814
TEL (916) 651-4024
FAX (916) 651-4924

DISTRICT OFFICE
111 PENN STREET, SUITE 101
EL SEGUNDO, CA 90245
TEL (310) 414-8190
FAX (310) 414-8195

WWW.SENATE.CA.GOV/ALLEN
SENATOR.ALLEN@SENATE.CA.GOV

California State Senate

SENATOR
BEN ALLEN

TWENTY-FOURTH SENATE DISTRICT



COMMITTEES
ENERGY, UTILITIES & COMMUNICATIONS
CHAIR
ELECTIONS &
CONSTITUTIONAL AMENDMENTS
EMERGENCY MANAGEMENT
ENVIRONMENTAL QUALITY
JUDICIARY
NATURAL RESOURCES & WATER
SPECIAL COMMITTEE ON INTERNATIONAL
SPORTING EVENTS: OLYMPICS,
PARALYMPICS & WORLD CUP SOCCER
CHAIR
JOINT COMMITTEE ON THE ARTS
CHAIR
JOINT COMMITTEE ON
EMERGENCY MANAGEMENT
ENVIRONMENTAL CAUCUS
CO-CHAIR

February 12, 2026

The Honorable John Harabedian
Chair, Joint Legislative Audit Committee
Legislative Office Building
1020 N Street, Room 107
Sacramento, CA 95814

The Honorable Christopher Cabaldon
Vice Chair, Joint Legislative Audit Committee
Legislative Office Building
1020 N Street, Room 107
Sacramento, CA 95814

REVISED 3/9/2026

RE: State Audit of the California Public Utilities Commission's oversight of interconnection timelines for customer-sited solar and storage

Dear Assemblymember Harabedian and Senator Cabaldon,

I and the undersigned legislators are writing to respectfully request the Joint Legislative Audit Committee approve an audit of the California Public Utilities Commission's (The Commission) oversight of interconnection timelines for customer-sited solar and storage.

California has long led the nation in working towards a clean energy future, setting a goal of generating 100 percent of the state's energy from renewable and zero-carbon sources by 2045. The state has made substantial progress towards this goal, which can largely be attributed to significant investments in solar power and storage. However, repeated delays by the state's two largest investor-owned-utilities (IOUs) are slowing the deployment of new customer-sited solar and storage, increasing customer costs, and discouraging investment in these vital clean energy resources.

Customer-sited systems are meant for self-consumption. They are not designed to sell power to other customers like a power plant or utility-scale solar farm in the desert. Examples include rooftop solar on homes, solar installed on parking canopies at places like hospitals or schools, and solar installed on the roofs of businesses or apartment buildings. Due to the level of electricity usage for customers like hospitals, schools, and businesses, customer-sited systems are often as large as 5 MW. Of the 7,000 MW of clean energy interconnected to the grid in 2024,¹ 23 percent came from customer-sited solar and storage.²

Pacific Gas and Electric (PG&E) and Southern California Edison (SCE) repeatedly miss state-mandated timelines to approve new customer-sited solar and storage.³ When Californians install solar and storage,

¹ Executive Order N-33-25, Governor Gavin Newsom, p. 1.

² California Distributed Generation Statistics, view at: <https://www.californiadgstats.ca.gov/charts>.

³ *California Solar & Storage Association (CALSSA) vs. Pacific Gas and Electric Company (U39E) and Southern California Edison Company (U338E)*, Table 2, available online at: <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=580416116>.

they cannot turn on their system until the utility gives their approval. This approval process, known as interconnection, is governed by Electric Rule 21 (Rule 21), which sets timelines that utilities are required to follow for each stage in the process.⁴ During interconnection, the utility reviews how the system will impact the grid and installs any additional equipment that it deems necessary for safety and reliability.

When utilities miss and extend interconnection timelines, customers are forced to carry loans and leasing costs for potentially unreasonably or unpredictably long periods of time, all while accruing additional interest payments. Further, each day mired in interconnection is another day where customers must pay high electric rates to the utility instead of earning savings from their system.

The utilities have automated much of the interconnection process for traditional small solar, specifically solar systems smaller than 30 kW that take service under the net energy metering tariff (NEM). Although some delays still exist for these homeowners, delays are far more problematic for customers installing solar systems larger than 30 kW and non-NEM systems of all sizes. Larger solar systems, specifically solar systems larger than 30 kW, are common on properties like multifamily apartments, schools, and businesses. Non-NEM systems are becoming more common as it is the most economic method for customers to expand their existing NEM system, and it is the method customers would use to install a battery-only system. Although historically non-NEM systems were mainly installed by commercial customers, they are becoming much more common for residential customers. Therefore, it is important for the state to ensure that these systems are installed in a timely and reliable manner.

In recognition of the particularly troublesome delays for larger solar systems and non-NEM systems, the Commission ordered the utilities in 2020 to begin publishing data every quarter on Rule 21 interconnection timelines for larger solar systems and non-NEM systems of all sizes. The Commission now has nearly five years of data that shows the utilities miss some of these timelines as much as 73 percent of the time.⁵ This issue is not only a repeated failure to follow Rule 21 but is also a violation of a 2020 decision by the Commission that ordered the utilities to meet all timelines for at least 95 percent of projects.⁶ Clean energy advocates filed a formal complaint in August of last year that demonstrates the extent of these rule violations⁷.

Despite this clear record of violations, the Commission has not enforced interconnection timelines.⁸ Consequently, PG&E and SCE have not been held accountable for their interconnection performance. SDG&E's consistent success in meeting interconnection timelines demonstrates that it is possible to meet these timelines and that proper enforcement could address this problem.

⁴ Each IOU has its own Rule 21 document, but the content is the same across all the IOUs. As an example, PG&E's Rule 21 is available online at: https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_21.pdf.

⁵ *California Solar & Storage Association (CALSSA) vs. Pacific Gas and Electric Company (U39E) and Southern California Edison Company (U338E)*, Table 2, available online at:

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=580416116>.

⁶ Ordering Paragraph 28 in CPUC D.20-09-035.

⁷ Complaint filed by California Solar & Storage Association on August 28, 2025.

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=580416116>

⁸ CalMatters, "Regulators know PG&E, Edison are slow to hookup solar. Why are there no penalties?", October 7, 2025. <https://calmatters.org/economy/2025/10/rooftop-solar-hookups-miss-deadlines>.

Interconnection delays for customer-owned solar and storage have a long history. Clean energy advocates have discussed repeated interconnection delays with staff at the Commission since 2015.⁹ Given that interconnection delays have persisted for more than a decade, an independent audit of the Commission's approach is needed. I request the State Auditor to focus on NEM systems larger than 30 kW and non-NEM systems of all sizes. He should not focus on NEM systems less than 30 kW or solar systems that are not subject to Rule 21.¹⁰ The purpose of this audit is to examine the Commission's oversight of interconnection delays and seek recommendations from the State Auditor about how it could be improved. Furthermore, I request the State Auditor to investigate the enforcement actions available to the CPUC and recommend appropriate enforcement of interconnection timelines.

Scope of the Audit:

The State Auditor should examine the Commission's oversight of IOU compliance with Rule 21 timelines. He should determine if the Commission has received sufficient evidence to indicate that there have been repeated violations of Rule 21 timelines and whether its response was timely and effective. He should evaluate the Commission's oversight of IOU spending on interconnection and determine how this has affected compliance with Rule 21 timelines. He shall provide recommendations on how the Commission's oversight should improve. Finally, the State Auditor should identify enforcement actions to resolve violations of Rule 21, both individual and repeated, and recommend appropriate enforcement actions. They should recommend improvements to the enforcement process that it deems appropriate.

The audit scope will include, but is not limited to, the following:

1. Past treatment of interconnection timelines

- a. How does the Commission track IOU compliance with interconnection timelines? What resources and programs have the Commission established to do so? Is the Commission's oversight sufficient, and if not, how could it be improved?
- b. The IOUs participated in a Commission workshop in 2023 where they provided solutions to resolve timelines where they were below the 95 percent threshold.¹¹ What did the Commission do to monitor the implementation of those solutions?
- c. Has the Commission received evidence to indicate that there have been repeated violations of Rule 21 timelines? What are the specific Rule 21 timelines where the IOUs have repeatedly failed to meet the 95 percent threshold? Which timelines have the most serious violations?
- d. What has the Commission's response been to reported violations of interconnection rules? How timely was the Commission's response? Did the Commission's response include enforcement, and if so, what were the specific enforcement actions, how frequently did enforcement occur, and were there penalties?

⁹ *Response of the California Solar Energy Industries Association on Outstanding Issues in the Proceeding*, R.11-09-011, p. 2. Stakeholders submitted comments to the Commission in 2015 that highlighted a lack of interconnection timeliness.

¹⁰ Examples of solar systems that are not subject to Rule 21 include those that are not customer-sited. For example, utility-scale solar farms that sell power to other customers have separate considerations and interconnect under different rules.

¹¹ *95% Metric Report Pursuant to D.20-09-035*, PG&E, June 22, 2023. *SCE's Rule 21 95% Metric Report Pursuant to D.20-09-035*, June 22, 2023. For quick viewing, these reports are posted at this publicly available link: https://drive.google.com/drive/folders/1J1UHJAEqnSKIRcp3JUPGz8PBb2SAvxKo?usp=drive_link.

e. How can the Commission respond in a timelier manner to reported violations of interconnection rules?

2. Oversight of waste and inefficiency

- a. What resources and programs have the Commission established to track whether the IOUs efficiently spend money on their interconnection process? Who bears the costs of the interconnection process?
- b. Does the Commission track staffing levels for IOU interconnection work? Do they know the extent to which delays are due to staffing shortages and high turnover? Would monitoring or regulating staffing levels be an effective tool?

3. Processes to resolve violations of Rule 21 timelines

- a. Individual violations
 - i. What dispute resolution options does a customer have when the IOU has failed to comply with Rule 21 timelines on their project?
 - ii. Are these dispute resolution options reasonably accessible to customers? Do they result in timely resolution and adequately compensate customers for their engagement?
 - iii. Do existing dispute resolution processes incentivize the IOUs to avoid repeat offenses?
- b. Repeat violations
 - i. In general, what enforcement actions does the Commission take to compel regulated entities to comply with rules and orders? Are those actions likely to be effective for interconnection timelines?
 - ii. What actions can the Commission take to enforce repeated violations of Rule 21 and Commission decisions related to Rule 21? For each of these available actions, what is the process and which Commission stakeholders and departments need to be involved?
 - iii. Do existing enforcement processes need to be improved, or new options created to effectively enforce violations of Rule 21?
 - iv. Has the Commission effectively enforced repeated violations of Rule 21 interconnection timelines? Has the Commission's actions caused the utilities to correct their behavior and consistently comply with all Rule 21 interconnection timelines?
 - v. What enforcement actions should the Commission take to cause the utilities to consistently comply with all Rule 21 interconnection timelines?
 - vi. Would Commission enforcement of Rule 21 reduce the Commission staff time spent on disputes? How much efficiency would be gained by the Commission if it instituted penalties for violating Rule 21 timelines?

Thank you for considering my request to approve an audit that addresses these important matters. If you have any questions about my concerns or this request in particular, please feel free to contact me directly or my staff, Shoshana Levy, at (916) 651-4024 or Shoshana.levy@sen.ca.gov.

Sincerely,



BEN ALLEN
Senator, 24th District



JOSH BECKER
Senator, 13th District