

Grid Ready Home Act

Model Policy 3

For Public Release 09/09/2025

Section 1. The appropriate state utility law is hereby amended by inserting the following:

A. Legislative intent

(a) To meet the growth of electricity load, to encourage greater electric system reliability, and to provide more options to electric customers for low-cost power, it is policy of the state to encourage customer adoption of distributed energy resources and speed up the process of connecting these resources to the electric distribution system.

(b) Today's interconnection and electric distribution service upgrade processes often result in canceled projects due to significant delays and unexpected costs. But new technologies and improved inverter functionality allow for more effective integration of inverter-based distributed energy resources into the electric distribution grid giving customers new opportunities to meet their electricity needs.

(c) To be known as the "Grid Ready Home Act," this act directs the department to authorize timely interconnection of distributed energy resources to the electric distribution system, provided that interconnection application requirements are met and provided that such resources meet minimum inverter functionality requirements as established by a national standards making body such as the Institute of Electrical and Electronic Engineers 1547-2018 Standard and subsequent updates, and adopted by the department.

B. Definitions

(a) distributed generation facility, as defined in the appropriate section of utility law.

(b) electric distribution company, as defined in the appropriate section of utility law.

(c) smart inverter functionality requirements, including but not limited to grid support, communications, and system control functionality, as codified in the highest applicable national standard by a national standards making body.

C. Provisions

(a) The department shall promulgate rules:

(i) establishing a process for electric customers to notify the electric distribution company of their intent to install a distributed generation facility of less than 25 kW in size. Such notification shall include a certification that the distributed generation facility meets minimum smart inverter functionality requirements as established by a national standards making body.

(ii) specifying that system installers shall submit an electronic interconnection application to the distribution company for approval. Such application shall include but not be limited to:

- 1) a completed standard application including a description of the project and site proposed, in such form as determined by the department,
- 2) a signed copy of the customer contract,

- 3) verification of the inverter settings, in such form as determined by the department, and
- 4) any other such documents as determined by the department.

(iii) specifying that provided the electronic interconnection application is complete, the distribution company shall issue a signed interconnection agreement and letter authorizing system operation.

(iv) specifying that if the distribution company identifies the need for a system upgrade to allow for the connection of the distributed generation facility, the electric distribution company shall authorize the operation of the distributed generation facility with managed imports and exports relying on the inverter settings until the upgrade is complete. Electric distribution companies must complete the system upgrade within three months of notifying the customer.

(v) establishing a customer interconnection application processing fee of no more than \$150, with fees waived for qualified low-income applicants as defined in department regulations, to cover the cost of electronic interconnection application review and a portion of any identified customer service upgrades.

(vi) specifying that any identified service upgrade costs more than \$150 interconnection fee shall be included in the electric distribution company's revenue requirement and recovered through the company's rate base.

(b) Rules adopted by the department under this section shall further include:

(i) provisions to track the performance of distribution companies under these rules. Performance data shall be publicly accessible on distribution company's website and updated quarterly;

(ii) mechanisms to ensure compliance by distribution companies with the schedule and rules required by this section;

(iii) mechanisms to enable customers to seek department review and enforcement of the schedule and rules required by this section; and

(iv) provisions for expeditiously resolving disputes between customers and distribution companies.

Section 2. The department shall establish a permanent office of a distributed generation and clean energy ombudsperson to advocate for improvements to electric distribution company interconnection processes and practices and to receive and facilitate the resolution of disputes between distributed generation customers and electric distribution companies. The office shall report on program effectiveness and any suggested improvements on an annual basis. The annual report shall be publicly accessible on the department's website.

Section 3. This act shall take effect immediately and the department shall issue regulations one year after enactment.