

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding
Microgrids Pursuant to Senate Bill 1339
and Resiliency Strategies.

Rulemaking 19-09-009
(Filed September 12, 2019)

**OPENING COMMENTS OF THE
CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL
ON PROPOSED DECISION ADOPTING SHORT-TERM ACTIONS TO ACCELERATE
MICROGRID DEPLOYMENT AND RELATED RESILIENCY SOLUTIONS**

Date: May 19, 2020

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I. INTRODUCTION

The California Efficiency + Demand Management Council (the “Council”) respectfully submit these Opening Comments on the Proposed Decision Adopting Short-Term Actions to Accelerate Microgrid Deployment and Related Resiliency Solutions, issued in R.19-09-009 on April 29, 2020 (“Proposed Decision” or “PD”). These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

II. BACKGROUND

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.¹ Our member companies employ many thousands of Californians throughout the state. They include energy efficiency (“EE”), demand response (“DR”), and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of EE products and equipment. The Council’s mission is to support appropriate EE and DR policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

¹ Additional information about the Council, including the organization’s current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at <http://www.cedmc.org>. The views expressed by the Council are not necessarily those of its individual members.

III. SUMMARY

The Council strongly believes that this PD must be amended to explicitly include demand-side resources (e.g. energy efficiency and demand response) as shown in Appendix A to comply with the statutory definition of microgrids and the Commission’s own definition of distributed energy resources (“DERs”).^{2,3,4} These resources represent a critical means of reducing aggregate demand and peak demand, both of which being critical inputs to the development of any microgrid.

IV. THE PROPOSED DECISION SHOULD BE AMENDED TO EXPLICITLY INCLUDE ENERGY EFFICIENCY AND DEMAND RESPONSE

The Council appreciates the opportunity to comment on this Proposed Decision. While we appreciate the goals of the PD, the Council is disappointed to see energy efficiency and demand response go completely unmentioned in this important policy document. EE and DR not only have a material effect on both aggregate demand and peak demand on the grid as a whole, but also within “...an interconnected system of loads and energy resources, including, but not limited to, distributed energy resources...” that statute defines as a microgrid.⁵

Procuring EE and DR resources for microgrids serves two important functions. First, they lower the aggregate energy and demand required to be met via other resources, effectively reducing the localized “baseline” for that microgrid. Second, they provide demand management flexibility that significantly influences the resource mix necessary to meet customer needs both when operated in the context of “...larger portions of the electrical grid...” and when “...isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.”

This critical role that EE and DR play as resources has long been recognized in California’s energy policy, particularly with the preferred Loading Order, as well as with more recent legislation Senate Bill (“SB”) 350 (2015) and SB 100 (2018) each of which call for the capture of all cost-effective energy solutions. Microgrids likewise should include consideration of EE and DR prior to their deployment and during their operation, whether via a competitive

² Pub. Util. Code § 8370(d).

³ Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill (SB) 1339 (September 12, 2019).

⁴ California Public Utilities Commission, “California’s Distributed Energy Resources Action Plan: Aligning Vision and Action”, p. 1. May 3, 2018.

⁵ Pub. Util. Code § 8370(d).

process of procuring resources for microgrid deployment or required as part of a microgrid deployment plan. At the very least, any deployment of microgrids should require examination of existing EE and DR programs to find synergies that maximize the value of ratepayer spending.

While it is unclear why these central resources are omitted in the PD –perhaps under the assumption that all cost-effective EE and DR resources are already procured through the program administrator (“PA”) portfolios– this oversight must nonetheless be remedied. Procurement of general EE and DR resources does indeed occur through PA portfolios. These resources are captured with statewide programs with minimal localization or geographic targeting; they are intended to provide large scale system benefits. But that is not where the benefits end, as EE and DR can also act as targeted localized resources that provide direct load shifting and shaping benefits to discrete microgrid plans. Particularly at a time when the time and locational value of EE and DR is visible with analytical tools utilizing advanced metering infrastructure (“AMI”), it is critical that microgrids incorporate these critical resources.⁶

The Council therefore recommends the PD be revised as shown in Appendix A (Proposed Modifications to Findings of Fact, Conclusion of Law, and Ordering Paragraph) to require not only acknowledgement of existing EE and DR investments as part of microgrid deployment, but to also consider these resources as foundational to cost effective investments in microgrids by ensuring EE and DR is captured as a primary resource.

V. CONCLUSION

The Council appreciates the opportunity to comment on the Proposed Decision and urges the Commission to ensure EE and DR are incorporated in the development of microgrids.

Dated: May 19, 2020

Respectfully submitted,

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⁶ Rachel Gold & Dan York, ACEEE, “Leveraging Advanced Metering Infrastructure to Save Energy”, January 9, 2020. Available at: <https://www.aceee.org/research-report/u2001>

APPENDIX A

CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION ADOPTING SHORT-TERM ACTIONS TO ACCELERATE MICROGRID DEPLOYMENT AND RELATED RESILIENCY SOLUTIONS

The California Efficiency + Demand Management Council (the “Council”) proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs in the Proposed Decision Adopting Short-Term Actions to Accelerate Microgrid Deployment and Related Resiliency Solutions mailed in R.19-09-09 on April 29, 2020 (Proposed Decision).

Please note the following:

- A page citation to the Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as “**NEW**” in **bold underscored** capital letters.

PROPOSED FINDINGS OF FACT:

[NEW] Requiring the utilities to coordinate with and build on the full range of existing DER programs as defined by the Commission, including energy efficiency and demand response.

PROPOSED CONCLUSIONS OF LAW:

2. [90] It is reasonable for the Commission to consider the use **the full range of DERs as defined by the Commission and by statute**, including **but not limited to** microgrids, to increase energy service reliability during widespread outages anticipated during the 2020 fire season.

16. [93] It is reasonable to require PG&E, SCE, and SDG&E on February 15, 2021 to file an information only filing in this proceeding, describing the results of the expedited interconnection process; including:

- (a) Describing the number of projects that utilized the expedited interconnection process;
- (b) Describing frequency of meeting the expedited timeliness; and
- (c) For any projects that fit the expedited criteria, but nonetheless experienced a delay, the utility shall provide an explanation about why the project was delayed.
- (d) **Describing how the utilities coordinated with existing DER investments, including energy efficiency and demand response portfolios.**

[NEW] It is reasonable to require the utilities to coordinate with and build on the full range of existing DER programs as defined by the Commission and by statute, and in accordance with the loading order, to facilitate prudent investment of ratepayer funds.

PROPOSED ORDERING PARAGRAPHS:

4. [102] Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each submit information only filings on February 15, 2021 in this proceeding, that: (a) describe the results of the expedited interconnection process under Section 4.1.3; (b) describe the number of projects that utilized the expedited interconnection process; (c) the success in meeting the expedited timeliness; ~~and~~ (d) if any project experienced a delay, the utility shall provide an explanation [103] about why the project was delayed; **and (e) how the utilities coordinated with existing utility DER investments, including energy efficiency and demand response portfolios.** In this advice letter submittal, PG&E, SCE, and SDG&E shall reference compliance with this decision pursuant to Ordering Paragraph 4.