

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking into Policies to
Promote a Partnership Framework between
Energy Investor Owned Utilities and the
Water Sector to Promote Water-Energy
Nexus Programs

Rulemaking 13-12-011
(Filed December 19, 2013)

**OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)
TO ASSIGNED COMMISSIONER'S RULING ENTERING WORKSHOP REPORT
INTO THE RECORD AND SEEKING COMMENT
DATED OCTOBER 26, 2016**

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Order Instituting Rulemaking into Policies to
Promote a Partnership Framework between Energy
Investor Owned Utilities and the Water Sector to
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On October 26, 2016, Commissioner Sandoval issued a Ruling, *Assigned Commissioner Ruling Entering Workshop Report into the Record and Seeking Comment* (“Ruling”), to solicit comments on workshop reports, meta-themes and questions, and workshop report themes and questions. San Diego Gas & Electric Company (“SDG&E”) appreciates the opportunity to have participated in the workshop held on October 20, 2016, and offers the following to address some of the questions asked in the Ruling and also to provide contextual clarifications on various summarizing statements contained in the Ruling.

I. CONTEXTUAL CLARIFICATIONS TO THE RULING

SDG&E believes that many of the concerns voiced by the electrical utility panelists were spoken as generalities for the electric system at large and reflect each individual speaker’s perceived future state of the distribution grid and not to the current state of the grid. Two such examples are:

- 1) The Ruling states: “Communications with resources is the missing piece leading to safety concerns on the distribution grid”.

To the extent this statement is based upon discussions by members of the electric utility panel, i.e., Panel 1, SDG&E believes it is important to clarify that the statements offered by SDG&E's panelist, and we believe those of the other panelist regarding safety due to insufficient communications do not pertain to existing safety concerns associated with DER currently interconnected to the electrical grid, but rather to potential concerns that may arise in the future as increasing amounts of DER interconnect, and specifically interconnect in aggregated areas. As was referenced in the CPUC's email notice of the October 20th workshop, the CAISO's and the electric utilities' existing interconnection tariffs do include requirements that address and ensure the safe and reliable operation of DER that are interconnected to the utility's distribution grid regardless of the existence of communications to or from the utility, i.e., DER equipment needs to monitor system conditions and trip itself off-line under certain circumstances. This requirement cannot be relaxed even with improved communications, in part because even communications that is characterized as highly reliable can never truly be guaranteed to be present.

- 2) The Ruling states that "No proceeding currently is addressing the communications-based technical underpinning of a distribution resources market".

To the extent the "distribution resources market" referenced in this statement pertains to DER connecting to the electric utility's distribution grid to provide services to help meet the needs and goals of the electric utility, end-use customers, and the state, SDG&E believes that scoping issues included in the Distribution Resources Plan (DRP) proceeding (R.14-08-013), and action items required in D.16.06-052 in the Rule 21 Interconnection proceeding (R11-09-011) already include pursuing developing guidance and policies pertaining to communications

technologies required to safely and reliably interconnect to the electrical distribution grid.

Specifically:

- The recent (October 21, 2016) Ruling in the DRP proceeding for Track 3 includes a scoped Sub-track 2: Grid Modernization Investment Guidance, which is focused, in part, on identifying the types and functions of technologies, including those related to communications that will enable greater DER penetration on the electrical distribution grid.
- D.16-06-052 Ordering Paragraph 9 states, “Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company shall file proposed revisions to Tariff Rule 21 setting forth any agreed-upon technical requirements, testing and certification processes, and effective dates for Phase 2 communication protocols and Phase 3 additional advanced inverter functions in separate Tier 3 advice letters no later than six months from the effective date of this decision.”

II. RESPONSES TO SPECIFIC QUESTIONS POSED IN THE RULING

Questions: “What actions should the Commission take to increase accessible and reliable communications at competitive speeds and prices that comply with applicable technical standards for California water and energy facilities and services?”

Response: The CPUC should not dictate the use of specific communications technologies. The pace of technological change in communications technologies continues to evolve at a rapid pace and the ability to “pick a winner” for the long haul needs of California water and energy facilities is in all likelihood impossible. The CPUC should continue to allow technical innovation cycles to continue and allow California consumers and utilities to reap the gains of these resulting improvements over time.

To ensure that overall costs are managed, the CPUC should strive to support activities which ensure true interoperability is achievable between energy and water stakeholders. The CPUC's work in supporting the standardization of communications for smart inverters provides at least one path where all industry stakeholders came together to develop a solution supporting interoperability between electric utilities and DER operators and systems.

SDG&E suggests that the CPUC should ensure that any potential standardization focuses on the true requirements so that any communications paths are "right-sized" to the true need. At SDG&E, we have found that differing communication requirements exist depending on the application with system protective functions having the most stringent latency requirements. Other applications require more bandwidth yet do not require high-speed communications. For DER management of water resources care must be used in not overstating the need for closed loop control incorporating a remote site when only course-grained set-point management or scheduling of events are required.

Question: "Through which proceedings should these efforts be coordinated or is a new proceeding required?"

Response: From an electric system perspective, water resources consuming electricity appear in a manner similar to other distributed energy resources. As such, it seems logical that the special requirements of water system resources, if any, be considered in existing DER-related proceedings such as the DRP and IDER. In this way, water resources are considered in the context of the overall DER requirements rather than in a separate process where the possibility for contradictory outcomes might increase.

