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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013 (Filed August 14, 2014)
And Related Matters	Application 15-07-002 Application 15-07-003 Application 15-07-006 (Filed July 1, 2015)
(NOT CONSOLIDATED)	
In the Matter of the Application of PacificCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005 (Filed July 1, 2015)
And Related Matters	Application 15-07-007 Application 15-07-008

**COMMENTS OF THE INTERSTATE RENEWABLE ENERGY COUNCIL, INC. ON
TRACK 3 PROPOSED DECISION**

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INTRODUCTION

The Interstate Renewable Energy Council, Inc. (IREC) submits these comments on the proposed decision of Commissioner Picker on Track 3 Policy Issues, Sub-Track 1 (Growth Scenarios) and Sub-Track 3 (Distribution Investment and Deferral Process).¹ IREC actively participated in the Growth Scenarios Working Group and Track 3 workshops and appreciates the work by the Commission, the investor-owned utilities (IOUs), and other stakeholders to move this process forward. IREC generally supports the proposed decision’s approach to improving the distributed energy resource (DER) planning process over time. Ultimately DERs and their

¹ R.14-08-013, *Proposed Decision on Track 3 Policy Issues, Sub-Track 1 (Growth Scenarios) and Sub-Track 3 (Distribution Investment and Deferral Process)*, December 8, 2017 (PD).

benefits to ratepayers should be fully integrated into distribution planning, and a separate DER planning process should be unnecessary, but the proposed framework represents a positive and necessary interim step to move toward that goal. These comments highlight elements of the proposed decision that are particularly important and identify several issues that should be clarified in the final decision.

COMMENTS ON PROPOSED DECISION

The proposed decision strikes a reasonable balance between pushing toward aspirational goals, recognizing significant challenges, and incorporating flexibility to allow for refinement over time. IREC recognizes that improving forecasting and planning will require substantial investment and work up front. However, completing that preliminary work will be a crucial step toward building a robust and flexible planning process for the future. IREC supports the proposed decision's incremental approach to modernizing the planning process, particularly as it promotes consistency and transparency.

I. A Working Group Should Continue to Vet Growth Scenarios and Forecasts.

IREC agrees with the proposed decision that the Growth Scenarios Working Group should vet disaggregation methods on an ongoing basis.² IREC supports the plan to seek stakeholder comments on the scope of the Working Group immediately after the decision is issued,³ to ensure that the Working Group can make timely progress. The first iteration of the Working Group focused on the trajectory use case, and provided little opportunity to consider alternative forecasting approaches and the two additional high growth scenarios.⁴ These elements of the forecasting process will be critical for the Working Group to address in the near-term,

² PD at 2.

³ PD at 3.

⁴ PD at 19.

particularly as the Commission seeks to align the IOUs' planning processes more closely with the California Energy Commission's Integrated Energy Policy Report (IEPR).

The next iteration of the Working Group should allow for active stakeholder participation, similar to the Integration Capacity Analysis (ICA) and Locational Net Benefits Analysis (LNBA) Working Groups. In addition, the Commission's directive for a Growth Scenario's Working Group facilitator to produce progress reports⁵ will be important to ensure that stakeholder perspectives are adequately represented to the Commission. To that end, even if consensus is not reached, Working Group reports should describe the positions of various stakeholders, as in the ICA and LNBA Working Group reports.

Additionally, it is important that the final decision not assume that current forecasting technology and methodologies are the best or only approaches available, nor that the IOUs will always need to take divergent approaches.⁶ Rather, the Commission should look to the Working Group to inform best practices going forward, recognizing that these may change as technologies, methodologies, and the IOUs' systems evolve. Accordingly, in the Appendix to these comments, IREC proposes revisions to Finding of Fact 5 and Conclusion of Law 1 to make it clear that while the IOUs may face forecasting limitations in the short-term, those limitations are neither necessary nor permanent.

⁵ PD at 3.

⁶ See PD at 73 (Finding of Fact 5: "The appropriate method for disaggregating system level forecasts to the circuit level is particular to the characteristics of each IOU's distribution infrastructure and modeling capabilities); PD at 75 (Conclusion of Law 1: "It is reasonable not to require a standard methodology for disaggregation.").

II. Ongoing Evaluation of Forecasts Will Improve Methodology and Accuracy.

IREC supports ordering the IOUs to “evaluate the effectiveness of past forecasts and calibrate their circuit-level DER forecasts based on actual data.”⁷ The proposed decision correctly recognizes the importance of evaluating the effectiveness of forecasts. Transparent reconciliation of forecasts with actual growth figures will help the Commission, the IOUs, and stakeholders assess the accuracy of forecasts and identify areas for improvement.

III. The ICA Should Be Incorporated into the Distribution Investment and Deferral Process; However, Additional Discussion and Development of the ICA Methodology for the Planning Use Case Is Necessary.

IREC agrees with the proposed decision that “[p]lanning assumptions and calculations should be transparent” and “the sources of assumptions should be publicly available.”⁸ In particular, the proposed decision correctly specifies that “the ICA, for the planning use case, is a tool that the IOUs should use alongside traditional planning tools and methods in completing the annual planning exercise.”⁹ It anticipates a proposed decision on the methodology for the planning use case in the first quarter of this year. The ICA Working Group, in which IREC is an active participant, is expected to file a report on this topic on the same date these comments are filed. As the report should show, the Working Group grappled with the planning use case, and its appropriate parameters and methodological needs. While the group made progress and had general agreement on the value of using the ICA in the distribution planning process, it was not able to reach consensus on all aspects of the planning use case, and thus on what methodology would best serve it. In order to complete this work, the Working Group is seeking clearer direction from the Commission on the exact use case details and steps that should follow to help

⁷ PD at 2.

⁸ PD at 18.

⁹ PD at 30.

arrive at a methodology. This proposed decision provides an important plan for the use of the ICA and should facilitate further conversations. However, additional direction from the Commission in its decision regarding the ICA planning use case methodology will be valuable to ensure the utilities use the ICA appropriately within the distribution investment and deferral process, and that it can serve the intended functions.

IREC further suggests that the ICA Working Group will likely need to have future meetings, potentially in tandem with the Growth Scenarios Working Group, in order to explore incorporation of the growth scenarios into the ICA and other methodological issues associated with the planning use case. It may be necessary to develop a preliminary plan for the ICA methodology that can be used in the first year of this new distribution investment and deferral process to allow time for proper development of a methodology for the ICA planning use case. IREC also notes that this first year should provide important lessons regarding the use of the ICA in a planning use case, which to date has not been tested through any demonstration projects or other means. We recognize that the ICA and the planning process itself will evolve as the Commission, IOUs, and stakeholders gain experience with the new requirements, tools, methodologies, and technologies.

IV. The Requirement that the IOUs Produce Grid Needs Assessments (GNA) and Distribution Deferral Opportunity Reports (DDOR) Is a Step in the Right Direction.

The GNA and DDOR will improve transparency in the IOUs' planning processes. IREC supports the proposed approach to these documents. It is particularly important that the proposed decision provides for stakeholder comments and identifies a process for guarding against omissions.¹⁰ Stakeholders will be able to use these comment opportunities to probe the IOUs' assumptions, identify omissions or inconsistencies, and increase their and the Commission's

¹⁰ PD at 34, 51.

understanding of the IOUs' planning processes and potential use of DERs to defer substantial investments. The forthcoming grid modernization investment framework should provide the other critical element of this new planning vision.¹¹

V. The Metrics Used to Characterize and Prioritize Projects Must Err on the Side of Over-Inclusivity and Transparency.

The Distribution Investment Deferral Framework (DIDF) will be most useful if it results in identification of viable deferral candidates. The proposed decision recognizes this by emphasizing that “the overarching goal of DIDF is that any deferral candidate project that can be cost effectively deferred through DERs should be deferred.”¹² IREC strongly supports Conclusion of Law 4, which states “It is reasonable to require that initial deferral screens should enable the IOUs to create over-inclusive, rather than overly restrictive, candidate deferral project shortlists.”¹³ IREC does not object to the use of metrics to identify and prioritize deferral project candidates. However, it bears emphasizing that these metrics not be used to exclude projects from consideration.

Further, it is ultimately most important that the GNA and DDOR give stakeholders and the Commission access to full, transparent information about how DERs may serve the grid. If the DIDF does not generate deferral opportunities, stakeholders and the Commission will want to understand why. Thus, the characterizations used in the GNA and DDOR should provide sufficient information to assess the validity of the IOUs decision-making processes. It appears that the characterizations in proposed decision¹⁴ will achieve this goal, but certain items may require more explanation. For example, one of the proposed DDOR characteristics for planned

¹¹ PD at 9.

¹² PD at 6.

¹³ PD at 75.

¹⁴ PD at 35-36.

investments is “Deferrable by DERs, Y/N.”¹⁵ Where the IOUs conclude that projects are not potentially deferrable, the DDOR should explain why.

VI. The Energy Division Should Actively Oversee the Distribution Planning Advisory Group (DPAG).

While a DPAG that reports to the Commission would be more likely to provide neutral feedback, IREC recognizes the practical reasons for adopting a DPAG that advises the IOUs instead.¹⁶ If the Commission adopts this approach, neutral oversight and facilitation by the Energy Division will be critical for ensuring that the DPAG has the freedom to make a meaningful contribution to the planning process. IREC’s recent report, *Optimizing the Grid*, identifies best practices for stakeholder engagement that may be useful for the DPAG and other DRP stakeholder groups, including: early and consistent engagement, open membership, neutral facilitation and reporting, active utility engagement, consensus-building, and open access.¹⁷

VII. Market Participants May Play an Important Role in the Deferral Process and the Proposed Decision Includes Sufficient Measures to Address Any Potential Conflicts.

IREC supports the proposed decision to require the IOUs to release the actual cost of distribution system upgrades and to allow market participants to join the DPAG.¹⁸

VIII. It Is Most Important that GNA and DDOR Data Be Readily Available in Machine-Readable Format.

IREC supports the proposed requirement that the GNA and DDOR data be made available both in map form and “in downloadable, machine-readable datasets.”¹⁹ The proposed

¹⁵ PD at 36.

¹⁶ PD at 63.

¹⁷ IREC, *Optimizing the Grid: A Regulator’s Guide to Hosting Capacity Analysis for Distributed Energy Resources* (Dec. 2017) at 25-27, available at http://www.irecusa.org/wp-content/uploads/2017/12/Optimizing-the-Grid_121517_FINAL.pdf.

¹⁸ PD at 6.

¹⁹ PD at 4, 34.

DRP data access portal²⁰ is a logical, central place to compile information produced as a result of the DRP. However, DER providers exploring deployment of a high volume of DERs on multiple circuits will rely on the underlying, granular data, and not the IOUs' maps, to determine how they may contribute DER services to the grid.²¹ Thus, it is most important to ensure that data will be provided in machine-readable format that allows tailored requests for timely access to relevant raw data.²²

For example, the ICA Working Group has discussed an application programming interface (API) that would save time and resources by allowing users to access information from the ICA online maps back-end servers in bulk.²³ An API allows users to pull data that is available via a website directly into another application.²⁴ In the DRP context, an API would enable DER providers to draw on the GNA and DDOR data while using their own tools.²⁵ The decision should clarify that the requirement for making GNA and DDOR data available in “downloadable, machine-readable datasets” means that the IOUs must develop API capability or an equivalent.^{26,27}

²⁰ PD at 39.

²¹ See ICA Working Group Long-Term Refinements Report: Draft 2 (Dec. 28, 2017) at 25-26, available at <https://drpwg.org/sample-page/drp/> (ICA Report Draft 2).

²² See IREC, Optimizing the Grid at 24.

²³ ICA Report Draft 2 at 26.

²⁴ ICA Report Draft 2 at 26.

²⁵ See ICA Report Draft 2 at 26.

²⁶ PD at 4, 34.

²⁷ In the ICA Working Group, the IOUs stated that privacy and security issues may prevent them from providing API capabilities, but the nature of these issues remains unclear. To the extent there are privacy and security concerns, the Commission should require the IOUs to explain those concerns in detail, and the Commission should explicitly address them.

CONCLUSION

IREC appreciates that the proposed decision incorporates significant stakeholder input, including many of IREC's recommendations. IREC supports the proposed decision, with minor modifications that will improve transparency and promote a smooth implementation process.

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Respectfully submitted,

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APPENDIX

I. Findings of Fact

IREC proposes the following changes to the Findings of Fact. Underline indicates addition, and ~~striketrough~~ indicates deletion.

Findings of Fact

...

5. In the short-term, the IOUs appropriate method for may have varying ability to disaggregateing system level forecasts to the circuit level ~~is particular~~ due to the characteristics of each IOU's distribution infrastructure and modeling capabilities.

...

II. Conclusions of Law

IREC proposes the following changes to the Conclusions of Law. Underline indicates addition, and ~~striketrough~~ indicates deletion.

Conclusions of Law

1. It is reasonable not to require a standard methodology for disaggregation in the short-term, although it may be reasonable to require the IOUs to adopt standard best practices and methodologies for disaggregation in the long-term.

...