



FILED
5-17-16
04:36 PM

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
(NOT CONSOLIDATED)	
In the Matter of the Application of PacifiCorp (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

**JOINT ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S
RULING REGARDING TRACK 2 DEMONSTRATION PROJECTS**

This Ruling sets the process and schedule for addressing the "Track 2" issues identified in the Scoping Memo, focusing on Demonstration Projects C, D, E and F. (*See Scoping Memo at 8-10.*) Based on the progress to date on this and other tracks, we are modifying the schedule from what was set out in the Scoping Memo.

Revised Utility Proposals and Non-Utility Proposals

The utilities have included proposals for the Track 2 Demonstration Projects in their applications, but those proposals need to be fleshed out more thoroughly. To ensure that the utility proposals contain adequate detail, we direct the utilities to file and serve revised proposals by June 17, 2016. Those revised proposals should answer the questions and provide the additional details as set forth in Appendix A (attached to this Ruling). The revised proposals should be titled: “Comments of [Party Name] Proposing Demonstration Projects.”

In addition, non-utility parties have indicated an interest in submitting alternate proposals of their own. In order to ensure that those proposals obtain full consideration, any non-utility party wishing to submit a proposal for the Demonstration Projects should also file and serve that proposal on June 17, 2016. That proposal should include the applicable details set forth in Appendix A. Non-utility proposals should also be titled: “Comments of [Party Name] Proposing Demonstration Projects.”

All proposals must follow the order and numbering of Appendix A. If a party does not have a position on a particular issue, it should still include the number of the issue with a notation of “no position” or “not applicable” or similar language.

Workshops and Scheduling

After the proposals have been filed and served, workshops will be conducted by Energy Division on June 28 and 29, 2016 to give parties the opportunity to gain a better understanding of the various proposals.

To ensure an efficient and productive workshop process, parties should identify in advance any issues and items in the proposed plans that they will

want to address at the workshops. This should be done by e-mail to the service list no later than June 24, 2016. Parties that have submitted proposals should be prepared to address at the workshops the issues and items that other parties have identified. At present, it does not appear that it is necessary to address Demonstration Project F at the workshops; any party that believes the workshops should address Demonstration Project F must notify the parties of that by e-mail to the service list no later than June 24, 2016.

Following the workshops, parties may file and serve comments by July 13, 2016 and reply comments by July 20, 2016 with their recommendations for Demonstration Projects C, D, E and F.

The revised schedule is:

June 17, 2016	Revised proposals filed and served
June 24, 2016	Workshop issues identified via e-mail
June 28-29, 2016	Workshops
July 13, 2016	Comments filed and served
July 20, 2016	Reply comments filed and served

Evidentiary hearings have not been scheduled, and do not appear to be necessary. Any party that believes evidentiary hearings are needed shall file and serve a motion no later than June 24, 2016 requesting evidentiary hearings, explaining why they believe hearings are needed, and identifying the specific material issues of fact that they would seek to address at hearings.

One or more Commissioners, Administrative Law Judges, or Commissioner's Advisors may be in attendance at the workshops. Rule 8.1(c) states that an *ex parte* communication means a written or oral communication

that “does not occur in a public hearing, workshop, or other public forum noticed by ruling or order in the proceeding, or in the record of the proceeding.” The workshops are a public forum that has been noticed on the Commission’s Daily Calendar. As a result of this Ruling, any discussion regarding issues in the proceedings addressed at the workshops are not subject to *ex parte* reporting requirements.

IT IS RULED that:

1. All proposals for Demonstration Projects C, D, E and F should be revised consistent with the applicable requirements of Appendix A, and filed and served by June 17, 2016.
2. All proposals must follow the order and numbering of Appendix A.
3. Workshops are scheduled for June 28 and 29, 2016, at the Commission Auditorium, 505 Van Ness Avenue, San Francisco, CA 94102, beginning at 9:30 am.
4. The schedule for Track 2 is revised as set forth above.

Dated May 17, 2016, at San Francisco, California.

/s/ MICHAEL PICKER
Michael Picker
Assigned Commissioner

/s/ PETER V. ALLEN
Peter V. Allen
Administrative Law Judge

APPENDIX A

Questions for DRP Revised Project Proposals

Questions for DRP Revised Project Proposals

This attachment provides questions to be answered in the supplemental filing for each demonstration project. If you wish to address other issues you may do so in your response. Include detailed information supporting your project where possible.

Commission Approval

- 1) Should any of the demonstration projects, either as a category across all utilities or for a specific utility, be prioritized for Commission approval, or should all projects be approved at the same time? Explain the reasons. Are there specific timing considerations that should be factored?

Project C

Objectives and Methods

- 1) Describe the project goals and the specific functions and features of DERs the project will demonstrate. Describe how the projects will demonstrate the stated goals found in the description of the demonstration project at pages 6-7 of the Attachment to the Guidance Ruling dated February 2, 2015.
- 2) What are the specific learning objectives and how will that inform the achievement of California's DRP Goals?
- 3) What specific metrics will assess the project performance?
- 4) What is the project's potential for replication across the system?

Project Location

- 5) Identify the proposed location for the project and explain why the location was selected.
- 6) Identify the relevant characteristics of the location chosen for the project (e.g., rural or urban area, current load, number of customers, current DER penetration, and projections of load and DER penetration).
- 7) Describe any relevant demonstration projects and pilots being done outside of the DRP process (for example, with EVs and the demand response reverse auction) and the coordination issues that need to be considered.

DER Portfolio and DER Ownership

- 8) If known, explain what specific DER technologies will be selected and why.
- 9) Described what role third-party DER technology vendors will have in the project.
- 10) Describe DER ownership: utility, customer, and third party with appropriate justification.

Budget and Cost Recovery

- 11) Provide a breakdown of the project by activity (e.g., engineering, installation of field devices, modeling, data gathering, data analysis) and an estimated cost for each activity. Include the grand total for the project.
- 12) What other funding and/or pilots will be leveraged by deploying the project in the proposed area?

Schedule

- 13) Provide a schedule for project design and deployment. Identify major milestones for the project and a description of the activity to be performed. Include a timetable (by year and quarter) showing when each step will be completed, including when deliverables are due.

Deliverables and Reporting

- 14) Identify the deliverables that are expected during the project including their due dates.
- 15) Identify a schedule and format for reporting to the Commission interim and final results.

Stakeholder Engagement and Collaboration With Third-Parties

- 16) How will stakeholder participation be coordinated in the design and implementation of the project?

Project D

Same questions as Project C

Project E

Same questions as Project C

Project F

- 1) Should PG&E and SCE be required to implement a "Project F" similar to one proposed by SDG&E?
- 2) The pilot proposal says "ratepayers and shareholders equally share all savings, if any, between the cost of the identified conventional solution and the DER solution." Would a

shared-savings incentive program such as that described above achieve the objective of promoting the cost-effective deployment of DERs? If not, why not?

- 3) SDG&E's application doesn't specify an estimated budget. Is there need for a limit on the number of projects or the amount of dollars that a utility could propose during this pilot program? If so, what should it be?
- 4) Should a non-market participant stakeholder review / oversight process (such as the Procurement Review Group) be required in conjunction with this pilot?
- 5) How will SDG&E evaluate which locations are right for the projects?
 - a. What requirements will be used to determine the locations?
 - b. How will locations be prioritized?
- 6) What cost does SDG&E expect to incur in performing the evaluation of which locations are appropriate for project F?
- 7) How will SDG&E record/track the cost incurred by SDG&E to carry out the process of "identifying and incenting optimal location of DER solutions on the distribution grid"?
- 8) How does SDG&E plan to handle circumstances when unexpected costs in DER deployment increase above the amount budgeted, especially if construction of the project has already started?
- 9) How will SDG&E seek cost recovery in the event the "delta" dollar amount (total cost of budgeted upgrade minus total costs of the DER incentive solution) is negative (that is, the DER incentive solution cost is greater)?
- 10) Describe how the dynamic rate(s) (for residential and small business) will be structured?
- 11) Compare the dynamic rate to that offered under the current SDG&E's Electric Vehicle pilot.
- 12) Will SDG&E leverage funding in developing the dynamic rate for Project F from the EV pilot?
- 13) Why is this project limited to storage assets? Can PV or DR be incorporated?
- 14) How will this project be coordinated with Rule 21 in terms of fees, cost, and interconnection process?