



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)

**FILED**  
01/30/20  
04:59 PM

**OPENING COMMENTS OF THE  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON STAFF AND UTILITY PROPOSALS ON TRACK 1  
MICROGRID AND RESILIENCY STRATEGIES**

**MEGAN M. MYERS**  
Attorney for the Center for Energy  
Efficiency and Renewable Technologies  
122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 994-1616  
E-mail: [meganmmyers@yahoo.com](mailto:meganmmyers@yahoo.com)

**JAMES H. CALDWELL, JR.**  
1650 E. Napa Street  
Sonoma, CA 95476  
Telephone: (443) 621-5168  
Facsimile: (415) 387-4708  
E-mail: [jhcaldwelljr@gmail.com](mailto:jhcaldwelljr@gmail.com)

For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

Dated: January 30, 2020

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  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON STAFF AND UTILITY PROPOSALS ON TRACK 1  
MICROGRID AND RESILIENCY STRATEGIES**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Proposals made by the Commission Staff and Investor Owned Utilities (IOUs) on Track 1 Microgrid and Resiliency Strategies this Rulemaking (R.) 19-09-009. The Staff Proposal that is entitled “Short-Term Actions to Accelerate Deployment of Microgrids and Related Resiliency Solutions” (Staff Proposal) was served on parties as part of the Administrative Law Judge’s (ALJ’s) Ruling issued on January 21, 2020 (January 21 ALJ’s Ruling), with the IOUs’ proposals separately filed and served on that same date. These Opening Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the Assigned Commissioner’s Scoping Memo and Ruling for Track 1 issued in R.19-09-009 on December 20, 2019 (Scoping Memo) and the January 21 ALJ’s Ruling.<sup>1</sup>

**I.  
CEERT COMMENTS ON STAFF AND IOU PROPOSALS**

As directed by the January 21 ALJ’s Ruling, CEERT has organized and submits its Comments on the Staff and IOU proposals in the same order as listed in that Ruling.<sup>2</sup> Each topic is listed, with CEERT indicating any on which it has no comment at this time.

---

<sup>1</sup> Scoping Memo, at p. 6; January 21 ALJ’s Ruling, at p. 16.

<sup>2</sup> The January 21 ALJ’s Ruling referred to section where this order was laid out as “section 4,” but it is in fact a section labeled as “3.” (January 21 ALJ’s Ruling, at pp. 3- 16.)

### **3.1 Prioritizing Interconnection Applications to Deliver Resilience Services at Key Sites and Locations.**

CEERT agrees with the Staff Proposal that there should be an acceleration of interconnection of resiliency projects and CEERT believes that interconnection should be as streamlined as possible. As such, CEERT supports the proposed recommendations regarding Staff's Interconnection Proposals contained in the Staff Report.<sup>3</sup>

### **3.2 Modifying Existing Tariffs to Maximize Resiliency Benefits**

#### **3.2.1 Storage Charging Proposals**

CEERT believes that net energy metering (NEM) tariffs should be revised to facilitate resiliency investments. The Staff Proposal correctly states that the “sizing requirement restricts a customer’s ability to simultaneously participate in the NEM tariff and also to maximize the resiliency benefits that larger storage systems could provide during an extended grid outage.”<sup>4</sup> As such, CEERT supports Tariff Problem 2: Proposal 1 that the NEM tariff should be modified “to remove storage sizing limit and to require islanding ability for energy storage systems larger than 10 kW.”<sup>5</sup>

#### **3.2.2 Storage Capacity Limit Proposals**

Please see CEERT’s Response to Section 3.2.1. In addition, CEERT believes that Proposal 1 in the Staff Proposal will appropriately relax the storage limitations. CEERT agrees that removing the storage system sizing limit, “while maintaining the requirement that NEM-paired storage sized larger than 10 kW adhere to one of the existing metering requirements will ensure

---

<sup>3</sup> Staff Proposal, at pp. 10-12.

<sup>4</sup> Staff Proposal, at p. 15.

<sup>5</sup> Staff Proposal, at p. 17.

that a NEM-paired storage system only receives NEM bill credits for exported generation from 100 percent renewable energy.”<sup>6</sup>

### **3.3 Ensuring Local Government Access to Distribution Infrastructure Data to Facilitate Development of Resiliency Projects.**

Broader access to distribution data should be a high priority, whether or not a microgrid is actually built. In addition, to the recommendations made by the Staff Proposal, CEERT believes that the Commission should ensure that there is a robust meet and confer process on IOU distribution investments, including microgrids, with all load-serving entities (LSEs) in the service territory. In addition, the Commission should deem that the net qualifying capacity (NQC) value of a microgrid be the larger of the peak load served by the microgrid (subject only to measurement and valuation (M&V) of the actual installation to demonstrate ability to carry the stated load) or the sum of the individual component NQCs.

However, in addition to sharing distribution infrastructure data with local governments, CEERT believes that the IOUs have an affirmative duty to share, in advance, data and plans with other LSEs in their service territory. In addition, opportunities to share, modify or substitute LSE distributed energy projects for those proposed by Pacific Gas and Electric (PG&E) need to be considered.<sup>7</sup>

### **3.4 IOU Proposals for Immediate Implementation of Resiliency Strategies, Including Partnership and Planning with Local Governments.**

#### **3.4.1 All Investor Owned Proposals**

CEERT supports the proposals submitted by Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) in their entirety subject only to public reporting of actual experience and lessons learned once the proposals are put into place. SDG&E is well ahead of

---

<sup>6</sup> Staff Proposal, at p. 19.

<sup>7</sup> See, e.g., PG&E Proposal, at p. A-1.

the curve in this area and has proposed streamlined approvals of existing projects.<sup>8</sup> SCE is also far along in its thinking and has laid out thoughtful criteria for investments for resiliency and alternative public safety power shut-off (PSPS) mitigation investments.<sup>9</sup> It is crucial to see how this works in practice before scaling. Furthermore, it appears that SCE went through what looks to be a rigorous process to decide whether a microgrid was the best option and has explicit plans to minimize time and quantity of fossil fuel burn from the beginning.<sup>10</sup>

Unfortunately, it appears that PG&E must go back to the drawing board. PG&E's Proposal does not contain any commitment to ensure that reliance on fossil fuels is temporary and expeditious conversion to non-fossil generation is not built into the plan, as was demonstrated in SCE's proposal.<sup>11</sup> Furthermore, many of the microgrids proposed by PG&E can be met by "any technology (or combination of technologies)" and some explicitly are "primarily diesel" in 2020 or were based on utilizing "diesel mobile generators[.]"<sup>12</sup> While PG&E claims that it is actively looking at alternatives, there is no direct plan to compare or prioritize these alternatives with the proposed microgrids. Adding new gas generation capacity will result in increased natural gas consumption and greenhouse gas (GHG) emissions that is at odds with the goals of the State of California. Claiming that PG&E will fuel these new microgrids with renewable natural gas (RNG) will not cure this problem since that RNG would be used to reduce other natural gas in the absence of the microgrid and the presence of the microgrid has no bearing whatsoever on the viability or cost effectiveness of the RNG project.

### **3.4.2 Proposals Regarding Emergency Temporary Generation**

CEERT does not have a response to this Section at this time.

---

<sup>8</sup> See, e.g., SDG&E Proposal, at p. 9.

<sup>9</sup> See, e.g., SCE Proposal, at pp. 5-8.

<sup>10</sup> *Id.*

<sup>11</sup> SCE Proposal, at p. 4.

<sup>12</sup> PG&E Proposal, at pp. A-4, A-6 and A-7.

**III.  
CONCLUSION**

CEERT appreciates having the opportunity to comment on the Staff and IOU Resiliency Proposals. As discussed above, CEERT is supportive of the Resiliency Proposals set forth by the Energy Division, SCE and SDG&E. However, PG&E's Proposal needs to be revised to demonstrate how it will move away from reliance on gas generation in developing any microgrids.

Respectfully submitted,

January 30, 2020

/s/ MEGAN M. MYERS

Megan M. Myers  
Attorney for CEERT  
122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 994-1616  
E-mail: [meganmmyers@yahoo.com](mailto:meganmmyers@yahoo.com)

*And*

James H. Caldwell, Jr.  
1650 E. Napa Street  
Sonoma, CA 95476  
Telephone: (443) 621-5168  
E-mail: [jhcaldwelljr@gmail.com](mailto:jhcaldwelljr@gmail.com)

On Behalf of Center for Energy Efficiency and  
Renewable Technologies