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**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

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY
(U 39 E) ON PROPOSED DECISION ADOPTING SHORT-TERM
ACTIONS TO ACCELERATE MICROGRID DEPLOYMENT AND
RELATED RESILIENCY SOLUTIONS**

M. GRADY MATHAI-JACKSON
KRISTIN D. CHARIPAR

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-3744
Facsimile: (415) 973-5520
E-Mail: Grady.Mathai-Jackson@pge.com

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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Pursuant to Rule 14.3(d) of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, Pacific Gas and Electric Company (“PG&E”) submits this reply to opening comments on the *Proposed Decision Adopting Short-Term Actions to Accelerate Microgrid Deployment and Related Resiliency Solutions* in Track 1 of this Proceeding (the “Proposed Decision”).

I. REPLY TO COMMENTS REGARDING PG&E’S TRACK 1 PROPOSALS

A. Parties Support Further Program Review and Approvals via Advice Letters.

In its Opening Comments, PG&E proposed that it be provided the opportunity to submit advice letters to seek approval of the final Temporary Generation Program scope for 2020, for the cost forecast associated with that scope, and to propose a Clean Generation Framework for PSPS Mitigation to govern the use of temporary generation after 2020.¹ Several parties echoed PG&E’s call for further review processes for the Temporary Generation Program.² In light of the broad

¹ PG&E Opening Comments, pp. 4-6.

² See, e.g., California Environmental Justice Alliance (“CEJA”) Comments, p. 12 (supporting the submission of a Tier 2 advice letter to review the Temporary Generation program, rather than a compliance filing, in order to give parties an opportunity to comment); California Energy Storage Alliance (“CESA”) Comment, pp. 9-11 (requesting more detail on the scope of the Temporary Generation Program and on PG&E’s long-term strategy to integrate cleaner alternatives); Joint Community Choice Aggregators (“Joint CCA”) Comments, p. 15 (supporting an advice letter to clarify the scope of the Temporary Generation and Make-Ready Programs); Sierra Club Comments, p. 2 (supporting an opportunity for comment on future plans for temporary generation, including through an advice letter proceeding).

support for further review of the final scopes and implementation details of this and PG&E's other Track 1 Programs, the Commission should adopt PG&E's proposal in opening comments to authorize advice letter processes for each of PG&E's Track 1 Programs.

B. Parties' Proposals to Broadly Prohibit Diesel Back-Up Generation Would Threaten Public Health and Safety.

While many parties, including PG&E, share the goal of replacing fossil-fuel electricity generation resources with cleaner alternatives, several parties take the extreme position that the Commission should prohibit the use of diesel and other fossil-fuel generators during PSPS-related grid outages after 2020.³ PG&E sees the potential use of mobile diesel and natural gas generators as a necessary bridge until non-fossil-fueled alternatives are available. Nothing in the record of this proceeding supports a determination that alternatives exist today that can provide reliable, long-duration mobile generation on the scale needed to mitigate the impacts of PSPS events.

The purpose of PG&E's proposal to submit a Clean Generation Framework for PSPS Mitigation is to determine a feasible path by which the State can achieve the goal of displacing mobile diesel generation. Just as the State's successful campaign to power the grid with cleaner energy resources did not and could not occur in a year, but rather phases out greenhouse gas ("GHG")-emitting generation by 2045,⁴ the development and deployment of cleaner mobile generation technologies will require an aggressive effort over time. While that transition is underway, the use of diesel and natural gas generators will likely remain necessary to restore power during PSPS-related outages. Simply prohibiting fossil-fueled mobile generators after 2020 for PSPS mitigation, as some parties propose, is a short-sighted approach that fails to adequately consider the critical importance of reliable back-up power and its role in the bigger energy picture.

³ See CEJA Comments, p. 12 ("[T]he final decision should state unequivocally that the Commission will not approve diesel generation in 2021."); Sierra Club Comments, pp. 2-3 (arguing for "clear, unequivocal direction that there is no place for fossil-fuel generation in future resiliency efforts"); Microgrid Resources Coalition ("MRC") Comments, p. 8 (arguing that SB 1339 expressly prohibits diesel back up generation); Joint CCAs Comments, pp. 12-13 (arguing for a prohibition on diesel after 2020 "unless critical" and also arguing for annual caps on diesel-fueled mobile generation).

⁴ See Cal. Pub. Util. Code § 454.53(a); see also Cal. Pub. Util. Code § 399.15 (setting forth increasing minimum renewable energy requirements over multi-year compliance periods through 2030),

Approximately 85% of PG&E’s bundled retail sales are from GHG-free sources of electricity.⁵ Even assuming high levels of multi-day deployment of PG&E’s contracted mobile generators during the 2020 fire season, those generators would account for a very small percentage of the total electricity delivered to customers, and they are only one of many contributors to the larger problems of local air pollution and climate change. The State is working to address these problems in a way that balances emission reductions with the criticality of activities, and a broad prohibition on the de minimis use of critical back-up generators is out of step with that larger policy context.

Parties calling for a prohibition on fossil-fuel back-up generation also fail to consider the likely alternative: the relatively unregulated, inefficient, unsafe, and inequitable use of smaller gasoline- and diesel-fueled generators by individual customers. The evidence in the record of this proceeding shows that the use of such smaller generators would result in significantly higher local and GHG emissions.⁶ Further, keeping the grid energized with centralized mobile generators overseen by trained electrical staff is a safer solution than individual homeowners deploying make-shift back-up solutions on their own premises during high wildfire threat conditions. For these reasons, the Commission should not prohibit the use of diesel or other fossil-fuel mobile generation, but rather should adopt a Tier 3 advice letter process to develop a Clean Generation Framework for PSPS Mitigation.

II. REPLY TO COMMENTS ON STAFF PROPOSALS

Many parties agree with the Proposed Decision’s adoption of template single line diagrams (“SLDs”) with a goal of addressing at least 80% of all interconnection projects.⁷ Accelerating the study process for these project types will allow engineering personnel to focus on larger and more complex interconnection projects, including resiliency projects, thereby reducing study process

⁵ 2018 PG&E Power Content Label, Base Plan (available at https://www.pge.com/pge_global/common/pdfs/your-account/your-bill/understand-your-bill/bill-inserts/2019/1019-Power-Content-Label.pdf).

⁶ Exh. PG&E-2, Rebuttal Testimony, p. 2-6, line 14 to p. 2-10, line 7. *See also id.*, Attach. A to Chap. 2 (Trinity Consultants Report on Microgrid Temporary Generation Emissions).

⁷ *See, e.g.*, Grid Alternatives Comments, p. 1; Southern California Edison (“SCE”) Comments, p. 2.

timelines for all interconnection projects. However, some parties argue that template SLDs should be expanded beyond the project and size types identified in Conclusion of Law 7 of the Proposed Decision.⁸ These proposals, if adopted, would present significant safety concerns and should not be adopted. Larger and/or more complex projects tend to have a greater impact on the grid and require detailed technical information to complete a safe and reliable interconnection study. Without this project and facility specific technical information, interconnection studies would be inaccurate and unreliable, potentially resulting in significant safety impacts to the customer's equipment and the distribution system.⁹

Tesla argues that the proposed NEM tariff modifications should be extended to allow larger NEM-paired storage installations for use cases other than resiliency.¹⁰ This proposal is unnecessary. Customers can currently size their storage greater than 150% of the installed solar under PG&E's NEM-MT tariff, as further described in the record of this proceeding.¹¹

PG&E appreciates TURN's concern regarding the potential gaming of the NEM tariff,¹² although TURN's proposal for data collection to ensure all systems are complying with NEM tariffs would need further analysis in terms of the scope of data, how such data would be collected, and other key issues, and is not sufficiently developed for adoption at this time.

Several parties asked for expansion of the audience for the local government and tribal coordination workshops required by the Proposed Decision.¹³ PG&E supports including in these meetings all Public Safety Partners ("PSPs"), as defined by the Commission in the De-Energization Rulemaking. However, expanding the attendees beyond these groups to include private microgrid

⁸ CESA Opening Comments, pp. 4-5; Tesla Opening Comments, pp. 4-5; MRC Opening Comments, p. 6.

⁹ For similar safety reasons, PG&E opposes Tesla's proposal to allow interconnection of projects with only notifications to PG&E. *See* Tesla Comments, pp. 5-8.

¹⁰ Tesla Comments, pp. 8-9.

¹¹ PG&E Opening Comments on Staff Proposals, filed on Jan. 30, 2020, p. 41.

¹² The Utility Reform Network ("TURN") Comments, p. 2.

¹³ *See, e.g.*, AT&T California Comments, p. 2; Bloom Comments, pp. 2-3; CEJA Comments, pp. 7-8.

developers that are not consulting with PSPs will likely make these meetings unwieldy and provide less benefit to the PSPs.

Finally, some parties also ask for broader access to the data portal for local and tribal governments required by the Proposed Decision.¹⁴ PG&E recommends that the broader public be provided relevant data as part of the required microgrid engagement guide, rather than through broader access to the data portal. The portal will be designed for the use by emergency management personnel with a familiarity with the type of data provided, including local governments, CCAs representing local governments, and tribal governments. Materials developed for a more general audience are better provided through a separate website and engagement guide.

Respectfully Submitted,

M. GRADY MATHAI-JACKSON
KRISTIN D. CHARIPAR

By: /s/ M. Grady Mathai-Jackson
M. GRADY MATHAI-JACKSON

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-3744
Facsimile: (415) 973-5520
E-Mail: Grady.Mathai-Jackson@pge.com

Attorneys for
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¹⁴ See, e.g., MRC Comments, p. 7 (requesting access for “owners or managers of critical facilities” and “their private contractors and consultants”); Climate Center/Vote Solar Comments, p. 6 (requesting access for “individuals and businesses wishing to participate in resilience planning”).