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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  
(Filed September 12, 2019)

**COMMENTS OF THE RURAL COUNTY REPRESENTATIVES OF  
CALIFORNIA TO THE ASSIGNED COMMISSIONER AND  
ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON  
POLICY QUESTIONS AND AN INTERIM APPROACH FOR MINIMIZING  
EMISSIONS FROM GENERATION DURING TRANSMISSION OUTAGES**

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**I. Introduction**

In accordance with the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Rural County Representatives of California (RCRC) submits comments to the Order Instituting Rulemaking 19-09-009 (“Rulemaking”) per the Assigned Commissioner and Administrative Law Judge’s ruling on September 4, 2020. RCRC submitted a related “Motion of Rural County Representatives of California for Leave to File Comments Pertaining to Minimizing Emissions from Generation During Transmission Outages One Day Late” and submits these comments in anticipation of that motion being granted.

**II. Comments**

On behalf of the RCRC, we are pleased to offer comments to the *Assigned Commissioner and Administrative Law Judge’s Ruling Seeking Comment on Policy Questions and an Interim Approach for Minimizing Emissions from Generation During Transmission Outages*, dated

September 4, 2020. RCRC was granted party status in this proceeding via an e-mail ruling by the Administrative Law Judge on February 4, 2020.

RCRC is an association of thirty-seven rural California counties, and its Board of Directors is comprised of one elected supervisor from each of our member counties. RCRC member counties comprise the vast majority of the state's forested lands and high fire hazard severity zones. As such, our communities have borne the majority of destruction caused by high severity wildfires and experienced most of the state's Public Safety Power Shutoff (PSPS) events.

Overall, RCRC supports the thoughtful deployment and utilization of microgrids, where appropriate, as one solution in a portfolio of options to improve energy resiliency of residential and nonresidential customers who are at greatest risk of de-energization. Microgrids, like other system hardening, sectionalization, distributed generation, and energy storage improvements, can help mitigate the significant economic and public health and safety impacts that occur during utility de-energizations. Specifically, microgrids should be explored to fill energy resiliency gaps that cannot be addressed through those other solutions.

While we generally support the Commission's efforts to utilize clean energy solutions to improve system resiliency (where technologically and economically feasible) we recognize that alternatives to diesel back-up generation —while noble— are likely to be unavailable or infeasible to deploy in the near term. RCRC does not believe that system resiliency improvements (including deployment of backup generation at substations and creation of microgrids) should be delayed due to the lack of implementable clean alternatives. Millions of people were impacted by Public Safety Power Shut-offs (PSPS) in 2019, and given the staggering amounts of fire incidents and acres burned so far in 2020, we fear millions more will be impacted by PSPS events in the near future.

Our comments focus on those issues of primary importance to rural local governments and, as directed by the ruling, are presented in order of the topics. We look forward to supplementing our responses to these and other questions in reply comments.

### **2.1.1 General Policy Questions**

***1. Regulatory Simplicity and Maximizing Ratepayer Benefit: Are there duplicative efforts relating to infrastructure hardening and resiliency planning occurring between this proceeding, Rulemaking (R.) 19-09-009, and other proceedings such as R.18-10-007, the Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901, or general rate cases, that could expose ratepayers to either duplicative or excessive costs?***

There are numerous proceedings currently underway at the Commission that are either specifically directed at wildfire risk reduction and resiliency improvements or that are incidentally related to those topics, but which will have significant benefits in those areas. Proceedings that are directly related to these goals include:

- R.18-12-005, *Order Instituting Rulemaking to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions*
- R.18-10-007, *Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018)*

Other proceedings incidentally related to those goals, but which will deliver substantial resiliency and risk mitigation benefits include:

- This proceeding
- R.20-05-012 *Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues (and the now-closed R.12-11-005, Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues)* (SGIP)
- R.18-03-011, *Order Instituting Rulemaking Regarding Emergency Disaster Relief Program* (EDRP)
- R. 17-05-011, *Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters* (Rule 20)

This fragmented approach to reducing the risk of wildfires and enhancing system resiliency is sometimes difficult to follow and may frustrate efforts to increase public engagement, but is understandable given the complexity of many of the programs that are being brought to bear to address these issues. Attempting to deal with all the interrelated energy and communications topics in a single proceeding would be unwieldy. This particular question is one that could and should be posed in many of these proceedings, as the different stakeholders and parties involved in each proceeding may have slightly different responses.

Some of this overlap creates a risk of “duplicating” issues that are being handled in other proceedings; however, we view these efforts and requirements as complimentary rather than duplicative. The potential for overlap creates an even greater imperative for the Commission to

coordinate program implementation to work toward a larger, comprehensive risk reduction, mitigation, and resiliency strategy that protects ratepayers from unnecessary and duplicative costs.

We recognize that it is difficult to guide the investments contemplated under the SGIP, Rule 20, and Microgrids proceedings to maximize risk reduction and resiliency benefits given the evolving and dynamic nature of utility efforts to undertake their own system improvements. Some of the investments and improvements made pursuant to those proceedings may not ultimately be as high of a priority as originally contemplated because the IOU has made (or is planning to make) infrastructure improvements to the circuit on which the project is located that will reduce the risk of wildfire or power shutoff. This should not be viewed as a fault so much as a consequence of the magnitude of the programmatic and infrastructure changes that are required to reduce wildfire risk, reduce the risk (and mitigate the impacts) of power outages, and improve system resiliency.

A few examples of potential overlaps include the SGIP and Rule 20 programs. Some of the SGIP equity resiliency incentives may have been awarded to individuals with legitimate and pressing power resiliency needs, but who are located on circuits that are (or will soon be) at a significantly lower risk of power loss because of recent or planned utility infrastructure improvements. Similarly, several parties have noted the potential tension between efforts by local governments to underground power lines to reduce wildfire risk pursuant to a revised Rule 20 program and utility efforts to replace uninsulated power lines with insulated lines.

RCRC believes that these overlaps require the CPUC to exercise more careful and continuous programmatic oversight to ensure that scarce resources are directed to those customers who are at the greatest long-term risk. As such, the CPUC must be nimble in continuing to tailor the various programs and requirements over the next several years. This is especially important as developments in some proceedings (like the EDRP wireline resiliency track) illustrate gaps that can and need to be addressed in other proceedings (like SGIP). In the EDRP proceeding, the wireline providers argued against improving residential communications resiliency because of the potential futility of those efforts if non-copper line customers lack electricity. Rather than abandon the goal of ensuring residential wireline communications reliability, the Commission could instead harness the power of the SGIP and other programs to devote resources to ensuring that customers in wireline-dependent communities at high risk of power outage have the energy resiliency needed to enable them to access communications systems in an emergency.

With respect to this proceeding, the Commission should take care to ensure that any ratepayer funded microgrids projects are located in those communities at greatest risk of power loss and to support critical facilities and infrastructure located in those communities. The project selection process should carefully consider any other utility investments that will reduce the risk of power loss over the near term and avoid investing limited resources for development of a microgrid in a community at low risk of needing to utilize those resiliency attributes.

***3. Cost Implications: What weight should the Commission give to cost when weighing the need to transition to preferred resources for resiliency? How should alternatives be evaluated for their costs and benefits? How should those costs be allocated and collected?***

Considering the relatively high cost of electricity in California and the considerable ratepayer investments needed to mitigate the risk of utility-caused wildfire, the Commission should give significant weight to additional costs when evaluating the transition to “preferred resources” for resiliency. Similarly, the Commission should consider the incremental costs increases resulting from efforts to expedite the transition to those resources over the very near-term. Given potential supply constraints and the nature of technological developments (and associated cost reductions), it may cost ratepayers considerably less to transition to “preferred resources” over a five- to ten-year time horizon than would result from a one to two-year transition.

RCRC supports efforts to improve air quality, as several regions in California suffer from chronically poor air quality. At the same time, many of those regions at greatest risk of public safety power shutoff (PSPS) events enjoy good air quality and so do not share the same need to expedite transition to alternative energy sources to avoid air quality impacts. Many of those same communities have lower income levels and hotter local climates that necessitate greater energy use. As such, residents in many PSPS-prone communities enjoy relatively good air quality but are very sensitive to incremental increases in the cost of electricity. This does not mean that California should not invest in energy resiliency. Californians absolutely need a reliable source of power, especially to fill gaps created by PSPS events and other system outages. The social and economic costs of PSPS events can be considerable for many communities - particular those that are subject to frequent and/or prolonged power outages. The CPUC must carefully balance the added costs of utilizing “preferred resources” for resiliency against the impact those requirements will have on ratepayers.

RCRC suggests that the CPUC also evaluate how existing biomass facilities may support local microgrid development and community resiliency strategies. Many PSPS-prone communities are in rural areas and also face a heightened risk of wildfire. RCRC strongly supports the increased utilization of biomass energy generation to facilitate forest health improvement projects that return forestlands to their natural density and fuel load. While we recognize that biomass electricity can be relatively expensive compared to other sources of renewable energy, those costs are more than offset by the considerable benefits those facilities provide in achieving the state's forest health and wildfire risk reduction strategies. Given the importance of those facilities and the fact that some may be located in PSPS-prone communities, we suggest that they be utilized to support local microgrids where possible.

***4. Continuity of Safe and Reliable Service: Is it reasonable for a utility currently relying on fleets of diesel generation to serve substations loads during a transmission outage, to transition incrementally or entirely to: (a) alternative fuel resources by September 1, 2021, or (b) alternative energy resources by September 1, 2021; while ensuring safe and reliable service to customers during an emergency?***

While RCRC believes that the utilities have better knowledge about the costs and challenges associated with quickly transitioning fleets of diesel generators to alternative fuel sources or replacing them with alternative energy resources by September 1, 2021, RCRC believes that the time timeframe contemplated is extremely ambitious and will be a significant logistical undertaking for already strained utilities.

As we note below, it is imperative to minimize the scope and duration of PSPS events to avoid impacts to public health and safety and the environment. The focus on system resiliency efforts should be on maintaining reliable service. The inability to transition generators to alternative fuels (or replace them with alternative energy resources) should not stand in the way of utility efforts to keep the power flowing to their customers, many of whom may have sensitive medical needs requiring continuous power supplies, when and where possible. We reiterate that an incremental and orderly transition - performed carefully and deliberately - may be achieved at significantly lower ratepayer cost than a sprint to a finish line less than one year away.

## **2.2. Interim Approach for Minimizing Emissions From Generation During a Transmission Outage in 2021**

***1. Do you support the proposal for how the Commission can minimize the use of diesel to serve substation loads in 2021 and 2022? [Please respond with a “yes” or “no” and discuss your reasoning. If you do not support this proposal, provide an alternative proposal that minimizes the use of diesel for energizing substations.]***

Unfortunately, this question does not lend itself to an easy “yes” or “no” answer. Last year’s PSPS events were massively disruptive and left two million Californians without electricity (and many without communications service) for extended periods of time. RCRC is more interested in outcomes, like reducing the size and scope of PSPS events and mitigating their impacts to the greatest extent possible, than in the fuels and energy sources that utilities use to get us there.

We applaud PG&E’s efforts to implement improvements to significantly reduce the size and scope of future PSPS events, but recognize that even those efforts will leave hundreds of thousands of Californians without electricity for extended periods of time. If alternative fuel and energy sources are available to help utilities mitigate PSPS impacts, and are not cost-prohibitive, they should be embraced and utilized. Alternatively, if they are not available in sufficient quantities or at reasonable costs, we should not discourage the use of diesel generators to ensure that utilities can continue to provide power to their customers. RCRC cautions against any type of inflexible generation requirements and believes that the Commission should instead focus on outcomes like keeping customers energized.

Unlike with communications systems, electrical customers cannot simply switch providers to improve their service reliability – they instead procure their own backup generators or energy storage devices. Keeping a substation online (regardless of the power source) will avoid the need for customers served by that substation to procure and run their own backup generators. This will in turn reduce the risk of fires being started by numerous portable backup generators and also result in lower emissions.

***2. Does a utility transmission de-energization event, such as a PSPS or other outage, present an immediate temporary need for the utility to operate generation to help alleviate a threat to public health and safety?***

PSPS events and power outages present significant public health and safety risks and create an immediate and compelling need for utilities to deploy generators to minimize those threats.



Aside from the economic costs of losing power, many critical facilities are dependent on reliable sources of electricity to provide important public services and prevent environmental harm. These facilities include police and fire stations, which must be able to receive and send communications and quickly respond to emergency calls – any delay could have tragic consequences. Delayed dispatch of emergency services to a 9-1-1 call could be a matter of life and death. Delayed reporting of or response to a wildfire could result in a much larger conflagration that is more difficult to contain. Water treatment and distribution facilities are essential to ensure that Californians have access to safe, clean drinking water for domestic purposes and emergency response. Losing power at a wastewater treatment plant can result in raw sewage flowing into streams and oceans. While many of these facilities have backup generators, there will always be instances in which those generators fail. Furthermore, the pollution caused by customer generators that must be utilized when utility power is shut off could dwarf the emissions associated with the utility's use of a diesel generator to power a substation.

Beyond just critical facilities and infrastructure, PSPS events and other power outages are not mere inconveniences for many Californians. Rural areas are populated by a greater number of elderly persons, many of whom may rely on medical devices to sustain vital health care needs or have sensitivities to extreme heat. Furthermore, many rural areas have entire communities where residents rely on electricity to pump groundwater for domestic uses like bathing, cooking, and sanitation. Without fresh water, basic sanitary functions (including septic systems) are compromised. While RCRC appreciates the tremendous financial investments the Commission is making to mitigate PSPS impacts on those populations through the SGIP program, we note that there are many who do qualify for SGIP assistance and that funding will be exhausted long before the underlying needs are met among even the eligible population.

There are many rural communities predominantly or entirely dependent on wireline communications systems. As a result of provider migration away from resilient copper line telephone systems, many residents in these communities must have electricity in order to use the phone system – even to reach 9-1-1 or access emergency services. Often located in rugged terrain, many of these communities are also at increased wildfire risk. These are some the communities in greatest need of reliable electricity and for whom it is absolutely vital that the focus for resiliency be on maintaining power, regardless of the source of generation.

While it may be more appropriate for discussion in another proceeding, energy storage alone will not be sufficient to offset the need for utilities to deploy some form of backup generation at substations. With an increased push to transition consumers to electric vehicles, the state must redouble its efforts to ensure continuous access to electricity for all Californians. The state is currently exploring ways in which electric vehicles can be utilized to store energy for individual and grid consumption. Electric vehicles may eventually present opportunities to power homes and microgrids during power outages, but we must take great care to ensure that these efforts will not impair the ability for residents to evacuate in the event of a wildfire or other disaster that occurs concurrently with an outage.

### **2.3 Process for Transitioning to Clean Temporary Generation in 2022 and Beyond**

***1. Do you support the proposal for a process for transitioning to clean temporary generation in 2022 and beyond? Please respond with a “yes” or “no” and discuss your reasoning. If you do not support this proposal, provide an alternative proposal for a long-term approach.***

Please see the response to Question 2.2.1 above.

### **III. Conclusion**

The Rural County Representatives of California respectfully requests that the Commission’s Docket Office approve our motion to file late comments in this proceeding and to accept these comments for consideration by the Commission.

Respectfully submitted,

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