

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Create a
Consistent Regulatory Framework for
the Guidance, Planning and Evaluation
of Integrated Distributed Energy
Resources.

Rulemaking 14-10-003
(Filed October 2, 2014)

**OPENING COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON
PROPOSED DECISION ADOPTING PILOTS TO TEST TWO FRAMEWORKS FOR
PROCURING DISTRIBUTED ENERGY RESOURCES THAT AVOID OR DEFER
UTILITY CAPITAL INVESTMENTS**

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January 25, 2021

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UTILITY CAPITAL INVESTMENTS**

Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Proposed Decision Adopting Pilots to Test Two Frameworks for Procuring Distributed Energy Resources that Avoid or Defer Utility Capital Investments (Proposed Decision), mailed in this proceeding on January 5, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

**I.
BACKGROUND**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming, and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

II. THE PILOTS OUTLINED IN THE PROPOSED DECISION SHOULD SERVE TO LOWER ADDITIONAL BARRIERS TO FURTHER INTEGRATE DISTRIBUTED ENERGY RESOURCES BEYOND DISTRIBUTION INVESTMENT DEFERRAL

The Proposed Decision seeks to pilot two frameworks to address existing challenges in the Distribution Investment Deferral Framework (DIDF): The Partnership Pilot and Standard-Offer-Contract Pilot. According to the Proposed Decision, these existing challenges “may have led to the limited success in procuring distributed energy resources (DERs) to avoid or delay distribution capital investment.”¹ More broadly, this effort is part of the Commission’s implementation of Public Utilities (P.U.) Code Section 769, which

“requires (among other items) the identification of standard tariffs, contracts, or other mechanisms for the deployment of cost-effective distributed energy resources that satisfy distribution planning objectives and the identification of barriers to the deployment of distributed energy resources.”²

CEERT understands these pilots are intended to observe the possible value stream associated with transmission and distribution deferral, in addition to addressing the incrementality of DERs. However, CEERT encourages the Commission to apply these pilots to test other major barriers to DER integration as well, including but not limited to resource adequacy (RA) qualifying capacity (QC) rules and the need for interconnection streamlining. Thus, the metrics and results from these pilots should be included on the record in all related Commission proceedings, including R.19-11-009 (Resource Adequacy (RA)), R.20-05-003 (Integrated Resource Planning (IRP)), R. 19-09-009 (Microgrids), and R. 20-05-012 (Self-Generation Incentive Program (SGIP)).

Aligning relevant efforts within these proceedings to the greatest extent possible will help overcome regulatory silo-ing and increase efficiency in not only transitioning California’s

¹ Proposed Decision, at p. 6.

² *Id.*, at p. 2.

electric grid, but also in adjusting the regulatory processes that must embrace and facilitate increasing grid flexibility. Thus, and as identified in Appendix A, the Commission should add a new Finding of Fact, as follows:

NEW. The metrics and results of the Partnership Pilot and Standard-Offer-Contract pilot projects can be of use in addressing other DER integration issues.

Furthermore, A new Conclusion of Law should state the following:

NEW. The Commission should include the metrics and results of the Partnership Pilot and Standard-Offer-Contract pilot projects in the record of other related proceedings, such as R.19-11-009, R.20-05-003, R.19-09-009, and R. 20-05-012, to more comprehensively facilitate the integration of DERs onto the grid.

Finally, a new Ordering Paragraph should be included to read:

NEW. Given the use-case of the Partnership Pilot and Standard-Offer-Contract pilot projects can extend into other critical areas of DER integration, the metrics and results from these pilot projects should be included in the record of related proceedings such as R.19-11-009, R.20-05-003, R.19-09-009, and R. 20-05-012.

III. THE TIMELINE FOR THE PROPOSED PILOTS SHOULD BE ACCELERATED

The Proposed Decision outlines the following timelines on which to develop the proposed pilots:

- “No later than 90 days from the issuance of this decision, Energy Division is authorized to facilitate a workshop to discuss [party proposals on evaluation criteria for the Partnership Program and Standard Offer Contract Pilot (the Pilots)].”³
- “No later than 30 days from the date of the workshop [the investor-owned utilities (IOUs)] shall jointly submit a Tier 1 Advice Letter seeking approval of the evaluation criteria for [the Pilots]...”⁴
- “No later than 90 days from the issuance of this decision, [the IOUs] shall each submit a Tier 2 Advice Letter detailing the elements of the prescreening application...”⁵

³ Proposed Decision, Ordering Paragraph 4.

⁴ *Id.*, Ordering Paragraph 5.

- “No later than April 30, 2021, [the IOUs] shall have each developed a page on their company website that describes the Partnership Pilot, advertises the upcoming launch of the Pilot subscription, and provides notice that aggregators will be looking for customers to enroll in the Tariff Pilot and customers should revisit the webpage again by September 15...”⁶
- “[The IOUs] shall launch the Request for Offers annually, on September 15.”⁷

Given California’s near-term procurement needs, highlighted by the reliability events during the August and September heat storms, the timeline for implementation of these pilot programs should be accelerated. Areas where effective streamlining mechanisms can help accomplish an expedited timeline include procurement, deliverability and interconnection studies, the Commission approval process, and construction. Overall, the same sense of urgency in procurements under R. 20-11-003 (Emergency Reliability) and the IRP proceeding should apply to procurement within these proposed pilot programs.

IV. CONCLUSION

The Proposed Decision states that “[t]here is value in allowing for adaptation and experimentation.”⁸ CEERT strongly agrees with this sentiment and encourages the Commission to align all Commission activities with its message. In overcoming barriers to DER integration, and thus California’s clean energy transition as a whole, the value of adaptation, experimentation, and adjustment must be fully recognized in all of the Commission’s endeavors. CEERT strongly encourages the Commission to consider these values across proceedings, including the RA proceeding where critical adjustments to the State’s resource planning and procurement methodologies must be made.

⁵ *Id.*, Ordering Paragraph 6.

⁶ Proposed Decision, Ordering Paragraph 7.

⁷ *Id.*, Ordering Paragraph 10.

⁸ *Id.*, Finding of Fact 2.

Thus, the Commission should ensure the results of the pilot programs outlined in this Proposed Decision are on record in all related proceedings. In addition, the Commission should instill a sense of urgency in procurement undertaken through these pilots and allow resulting resources to contribute to California's grid reliability needs.

Respectfully submitted,

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APPENDIX A

CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES’ PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION ADOPTING PILOTS TO TEST TWO FRAMEWORKS FOR PROCURING DISTRIBUTED ENERGY RESOURCES THAT AVOID OR DEFER UTILITY CAPITAL INVESTMENTS

The Center for Energy Efficiency and Renewable Technologies (CEERT) proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs of the Proposed Decision Adopting Pilots to Test Two Frameworks for Procuring Distributed Energy Resources that Avoid or Defer Utility Capital Investments, mailed in R.14-10-003 (IDER) on January 5, 2021 (Proposed Decision).

Please note the following:

- A page citation to the Revised Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as “**NEW**” in **bold**, underscoring capital letters.

PROPOSED FINDINGS OF FACT:

NEW. The metrics and results of the Partnership Pilot and Standard-Offer-Contract pilot projects can be of use in addressing other DER integration issues.

PROPOSED CONCLUSION OF LAW:

NEW. The Commission should include the metrics and results of the Partnership Pilot and Standard-Offer-Contract pilot projects in other related proceedings, such as R.19-11-009, R.20-05-003, R.19-09-009, and R. 20-05-012.

PROPOSED ORDERING PARAGRAPHS:

NEW. Given the use-case of the Partnership Pilot and Standard-Offer-Contract pilot projects can extend into other critical areas of DER integration, the metrics and results from these pilot projects shall be included in the record of related proceedings such as R.19-11-009, R.20-05-003, R.19-09-009, and R. 20-05-012.