

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

03/03/21
04:59 PM

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 ASSIGNED COMMISSIONER'S AMENDED
SCOPING MEMO AND RULING FOR TRACK 3**

March 3, 2021

Carleigh Osen
Policy Coordinator
1100 11th Street, Suite 311
Sacramento, CA 95814
Telephone: (916) 442-7785
E-mail: carleigh@ceert.org

Megan M. Myers
Attorney at Law
110 Oxford Street
San Francisco, CA 94134
Telephone: 415-994-1616
Email: meganmmyers@yahoo.com

**FOR: Center for Energy Efficiency and
Renewable Technologies**

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 ASSIGNED COMMISSIONER'S AMENDED
SCOPING MEMO AND RULING FOR TRACK 3**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Assigned Commissioner's Amended Scoping Memo and Ruling for Track 3 (Amended Scoping Memo). These Opening Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure and the Amended Scoping Memo.

**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. STANDBY CHARGE WAIVERS SHOULD INCENTIVIZE CLEAN MICROGRID DEVELOPMENT

According to the Amended Scoping Memo, the issue outlined for consideration in Track 3 of this Microgrid proceeding (R.19-09-009) is as follows:

“Whether the Commission should require PG&E, SCE, and SDG&E to waive standby charges for a customer operating a microgrid, regardless of fuel source, so long as: (1) waiving a standby charge will enable the microgrid customer to provide an incremental benefit to other customers; that is (2) commensurate with the magnitude of the otherwise applicable standby charges.”¹

Additionally, the Assigned Commissioner asks parties to comment as to whether “the Commission [should] limit the eligibility of microgrid resources for the standby charge waiver to ensure compliance with the State’s air pollution and greenhouse gas emissions reduction requirements.”²

CEERT believes that standby charges could present a barrier to microgrid integration, especially considering microgrids can address local reliability concerns even when operated in parallel with the grid. A microgrid and its component resources are specifically tailored to the location that the microgrid serves, providing enhanced reliability. Thus, if allowed to operate in parallel, microgrids provide valuable benefits to the broader grid. California’s current standby charge paradigm does not account for these benefits, thereby presenting a barrier to the integration of microgrids.

Therefore, CEERT appreciates the Commission undertaking this issue in Track 3 of the Microgrid proceeding. However, CEERT believes that this opportunity must be carefully executed, using this opportunity to simultaneously meet the objective of this proceeding under Senate Bill 1339 and progress towards meeting California’s clean energy and climate goals.

¹ Amended Scoping Ruling, at p. 7.

² *Id.*, at p. 8.

Thus, CEERT believes that fossil fueled generators, such as fossil fuel combustion turbines, as part of a microgrid should not be exempt from standby charges. Reducing reliance on natural gas or propane, much less diesel is critical to meeting California's decarbonization goals while protecting the health and safety of its residents.

Thus, the microgrid standby service charge waiver should be used to incentivize innovation and encourage the development of clean microgrid projects, including those utilizing technologies with zero criteria pollutant emissions. It would be prudent for the State to utilize this opportunity as an avenue of furthering its progress towards grid decarbonization. However, if non-renewable projects were eligible for a waiver or reduction in standby charges in exchange for a service, CEERT agrees that the Commission should take additional actions to ensure consistency with statewide greenhouse emissions and criteria air pollution reduction goals.

III. CONCLUSION

As the most critical years for its climate goals begin to unfold, the State must take advantage of effective opportunities to make progress on decarbonization while ensuring a just transition and protecting grid reliability. Clean microgrid development can be a valuable piece of this evolution. Thus, CEERT encourages the Commission to carefully examine standby charge waivers in Track 3 of this proceeding and ensure that its actions allow for and incentivize progress towards meeting the State's climate goals.

Respectfully submitted,

March 3, 2021

/s/

MEGAN M. MYERS

Megan M. Myers

Attorney for Center for Energy Efficiency
and Renewable Technologies

110 Oxford Street

San Francisco, CA 94134

Telephone: 415-994-1616

E-mail: meganmmyers@yahoo.com