

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Establish  
Policies, Processes, and Rules to Ensure  
Reliable Electric Service in California in the  
Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003  
(Filed November 19, 2020)

**REPLY COMMENTS OF  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON  
PROPOSED DECISION DIRECTING PACIFIC GAS AND ELECTRIC COMPANY,  
SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC  
COMPANY TO TAKE ACTIONS TO PREPARE FOR POTENTIAL EXTREME  
WEATHER IN THE SUMMERS OF 2021 AND 2022**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

March 19, 2021

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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022, mailed in this proceeding on March 5, 2021. These Reply 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.  
CEERT’S CONCERNS REGARDING THE PROPOSED DECISION’S PROCEDURAL  
FLAWS ARE SHARED BY MULTIPLE PARTIES.**

In its Opening Comments, CEERT identified numerous procedural flaws with the Proposed Decision, including its failure to resolve issues in the Scoping Memo; failure to provide equal, or any weight at all to the evidence of record; and overall undermining of party participation before the Commission.<sup>1</sup> These procedural concerns were shared by the Joint DR Parties<sup>2</sup> and Protect Our Communities Foundation (PCF).<sup>3</sup> As such, CEERT agrees with PCF who described the Proposed Decision as “hasty” particularly “in the context of this unnecessarily rushed proceeding, where it has thrown caution and administrative procedures to the wind in its

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<sup>1</sup> CEERT Opening Comments, at pp. 2-5.

<sup>2</sup> The Joint DR Parties are comprised of CPower and Enel X North America, Inc.

<sup>3</sup> See, e.g., Opening Comments of the Joint DR Parties, at pp. 1-8 and Opening Comments of PCF, at pp. 2-3 and 15.

pursuit of additional procurement.”<sup>4</sup> Furthermore, the Joint DR Parties correctly state that “[n]otwithstanding the law, the Proposed Decision *never* references [] issues expressly included in the Scoping Memo ... and, instead, only gives passing mention to the ‘scoping ruling,’ but not it its contents.”<sup>5</sup>

CEERT also agrees with both the Joint DR Parties and PCF that the Proposed Decision failed to address and weigh all the evidence admitted into the record.<sup>6</sup> CEERT concurs with PCF that “[t]he Commission throughout this proceeding has trampled on basic requirements underling administrative agency action – including ... failing to consider all parties’ testimony and evidence [and] truncating opportunities to comment without a real emergency ...”<sup>7</sup> Lastly, CEERT supports PCF’s contention that “[b]y calling for briefing, testimony and comments, but disallowing evidentiary hearings, and then by ignoring all testimony and briefing that disagree with the pre-determined outcomes, the PD violates bedrock due process principles – and its own statutory requirements.”<sup>8</sup>

As such, CEERT recommends that the Commission reject the Proposed Decision for its procedural failings alone. However, as discussed in CEERT’s Opening Comments and in more detail below, the Proposed Decision must also be rejected because it continues California’s reliance on gas and failed to appropriately evaluate demand side resources.

## **II. THE PROPOSED DECISION MUST BE MODIFIED TO DISALLOW THE UTILITIES FROM PROCURING GAS RESOURCES**

As previously argued by CEERT, the Proposed Decision must be modified to prohibit any additional procurement of gas by the Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric (collectively the investor-owned utilities (IOUs)).<sup>9</sup> The negative environmental justice, health, and environmental impacts have long been documented. Yet, the Proposed Decision allows the IOUs to procure additional gas. As stated by the California Environmental Justice Alliance, Union of Concerned Scientists, and Sierra Club (collectively the Justice Parties):

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<sup>4</sup> PCF Opening Comments, at p. 2.

<sup>5</sup> Joint DR Parties Opening Comments, at p. 6.

<sup>6</sup> Joint DR Parties Opening Comments, at p. 6 and PCF Opening Comments, at pp. 2-3.

<sup>7</sup> PCF Opening Comments, at p. 3.

<sup>8</sup> PCF Opening Comments, at p. 15.

<sup>9</sup> CEERT Opening Comments, at p.

“The Proposed Decision is an all-out declaration that the Commission does not consider itself bound by law, precedent or even basic human concern for society or the planet. Rather, the PD utterly ignores disadvantaged and low-income communities, information in this proceeding about grid reliability conditions, and extensive analysis performed in other proceedings.”<sup>10</sup>

The Justice Parties correctly argue that the Proposed Decision “digs a deeper hole by increasing our dependency on the very fossil fuels that are responsible for the climate crisis.”<sup>11</sup> They also identify the fact that the Proposed Decision ignored all evidence and proposals for demand side resources targeting low-income and disadvantaged communities.<sup>12</sup>

CEERT and the Justice Parties are not alone in being alarmed at the reliance on natural gas in the Proposed Decision. The Solar Energy Industries Association, the Large-scale Solar Association, and Vote Solar (the Joint Solar Parties) correctly state that “the ordered procurement to meet the proposed enhanced planning reserve margin should not open the door to long term procurement of fossil fuel resources.”<sup>13</sup> In addition, the DR Coalition<sup>14</sup> expressed its concern at the Proposed Decision’s bias in favor of fossil generation at the expense of clean demand response (DR) and distributed energy resources (DERs).<sup>15</sup> Furthermore, CEERT agrees with The Utility Reform Network (TURN) that under the language of the Proposed Decision, a “500-MW gas repowering project in a Disadvantaged Community (DAC) could be proposed by one of the utilities, something that would be entirely contrary to the recent direction of state policy. Indeed, the potential sites for a full repower may be disproportionately located in DACs.”<sup>16</sup>

At a minimum, while CEERT argues that there should be no gas procurement in this Proposed Decision, CEERT agrees with the Joint Solar Parties that the Proposed Decision be revised to expressly limit the duration of fossil fuel contracts.<sup>17</sup> If the Commission does not take this minimal step and proceeds with including new gas-fired generation with contracts of indefinite duration, as correctly stated by the Justice Parties, this “invites far more sinister

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<sup>10</sup> Justice Parties Opening Comments, at p. 1.

<sup>11</sup> Justice Parties Opening Comments, at p. 12.

<sup>12</sup> Justice Parties Opening Comments, at p. 3.

<sup>13</sup> Joint Solar Parties Opening Comments, at p. 2.

<sup>14</sup> The DR Coalition is comprised of the California Efficiency + Demand Management Council; Google LLC; Leapfrog Power, Inc.; NRG Energy, Inc.; OhmConnect, Inc.; Oracle; Tesla, and Willdan.

<sup>15</sup> The DR Coalition Opening Comments, at p. 4

<sup>16</sup> TURN Opening Comments, at p. 3.

<sup>17</sup> Joint Solar Parties Opening Comments, at p. 6.

explanations[ ]” and the Proposed Decision as currently written “is a radical and illegal departure from years of progress on climate and equity.”<sup>18</sup>

### **III. THE PROPOSED DECISION FAILS TO ADEQUATELY ADDRESS DEMAND RESPONSE**

Numerous DR parties, including but not limited to the DR Coalition, the Joint DR Parties, and Polaris Energy Services (Polaris) expressed their frustration with the Proposed Decision and its failure to adequately address DERs, particularly DR despite DR being specifically scoped into this proceeding.<sup>19</sup> Instead, many issues that were raised in testimony and briefed were completely ignored, even proposals put forth by the IOUs and supported by the DR parties. For example, Polaris Energy Services correctly states that the Proposed Decision fails entirely to address the agricultural irrigation pumping sector and AutoDR.<sup>20</sup> The DR Coalition correctly states that the Proposed Decision “provides little explanation for the DR proposals it adopts or rejects, so it is unclear whether the full record has been considered.”<sup>21</sup>

TURN sums up this frustration by stating that:

Despite an extensive record that is replete with constructive suggestions-- all well within the scope of issues established for this proceeding-- for improving summer electric system reliability for 2021 and subsequent years, particularly with respect to Demand Response (DR) resources, the PD takes a minimalist approach that *fails to even mention* most of those proposals, let alone explain why they were not adopted. Even in the case of the proposals offered by the Investor-Owned Utilities (IOUs), which are generally the only ones adopted by the PD, those that were not adopted also are not discussed. This outcome is quite discouraging to parties who devoted exhaustive efforts within a very constrained period of time to developing a record to assist the Commission in this case.<sup>22</sup>

CEERT again urges the Commission to reject this Proposed Decision and instead perform a full evaluation of DERs, particularly DR. In the alternative, CEERT agrees with the Joint DR Parties that the Commission should “order this Rulemaking to remain *open* to permit the Commission to issue a further proposed decision within the next 60 days to address all of the

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<sup>18</sup> Justice Parties Opening Comments, at pp. 1-2.

<sup>19</sup> See, e.g., The DR Coalition Opening Comments, at p.; Joint DR Parties Opening Comments, at pp. 8-13; and Polaris Opening Comments, at pp. 1-3.

<sup>20</sup> Polaris Opening Comments, at p. 2.

<sup>21</sup> The DR Coalition Opening Comments, at p. 4.

<sup>22</sup> TURN Opening Comments, at p. 1.

issues and evidence on demand side measures that the Proposed Decision ignores.”<sup>23</sup> As TURN correctly argued the measurement and evaluation of DR resources must be modernized and improved.<sup>24</sup> This proceeding could be used to provide this analysis and to ultimately allow DR to actively and robustly participate to its full potential.

#### **IV. CONCLUSION**

The Proposed Decision, as it is currently written, is contrary to what CEERT understood to be the intention of this proceeding, which was to determine a path forward for DERs, particularly DR, in order to move away from reliance on gas fired resources in the event of an extreme weather event. Instead, the Proposed Decision is all gas and no DERs. This entire proceeding was a lost opportunity for the Commission to move forward and make DERs more robust and now the pathway for evaluating these resources is unclear. However, the Commission could attempt to salvage this proceeding by revising the Proposed Decision to prohibit any gas procurement and to keep the proceeding open to fully and effectively evaluate demand side resources.

Respectfully submitted,

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<sup>23</sup> Joint DR Parties Opening Comments, at p. 13.

<sup>24</sup> TURN Opening Comments, at p. 8.