



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)

**FILED**  
07/06/21  
08:48 AM

**REPLY COMMENTS OF  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON  
PROPOSED DECISION ADOPTING A SUSPENSION OF THE CAPACITY  
RESERVATION COMPONENT OF THE STANDBY CHARGE FOR ELIGIBLE  
MICROGRID DISTRIBUTED TECHNOLOGIES**

July 6, 2021

**Carleigh Osen**  
**CEERT**  
1100 11<sup>th</sup> Street, Suite 311  
Sacramento, CA 95814  
Telephone: (916) 442-7785  
E-mail: [carleigh@ceert.org](mailto:carleigh@ceert.org)

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

**REPLY COMMENTS OF  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON  
PROPOSED DECISION ADOPTING A SUSPENSION OF THE CAPACITY  
RESERVATION COMPONENT OF THE STANDBY CHARGE FOR ELIGIBLE  
MICROGRID DISTRIBUTED TECHNOLOGIES**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Adopting a Suspension of the Capacity Reservation Component of the Standby Charge for Eligible Microgrid Distributed Technologies, mailed in this proceeding on June 9, 2021. These Reply Comments are timely filed and served pursuant to Rule 14.3 of the California Public Utilities Commission's (the Commission's) Rules of Practice and Procedure.

**I.  
REPLY COMMENTS**

CEERT appreciates and supports the objective of this proceeding to facilitate the commercialization of microgrids through addressing and eliminating its various barriers. It is crucial this objective be met while preventing cost-shifting to non-participating customers and ensuring California's clean energy transition is not compromised. As such, CEERT supports the proposed suspension of the capacity reservation component of the standby charge as a reasonable alternative to a blanket waiver of the standby charge.

CEERT is strongly supportive of this suspension being used as an incentive mechanism to drive the development of clean microgrids. Therefore, CEERT echoes the California Environmental Justice Alliance (CEJA), the Local Clean Energy Alliance (LCEA), and 350 Bay Area's appreciation

of the exclusion of diesel-powered microgrids from the suspension.<sup>1</sup> Furthermore, reflecting its Opening Comments, CEERT agrees with CEJA, LCEA, and 350 Bay Area that this suspension must avoid incentivizing microgrid technologies that are not in line with California’s clean energy goals.<sup>2</sup> Nonetheless, with proper policy mechanisms in place, CEERT believes renewable fuels can play an important role in the commercialization of microgrids, California’s energy resiliency strategy, and the state’s transition to clean energy. Thus, CEERT stands by its recommendation for this Proposed Decision to require microgrids to *commit* to switching to clean renewable fuels by December 31, 2030, rather than merely demonstrating the ability to do so. This requirement will help incentivize innovation and encourage the development of cleaner microgrids while avoiding the premature elimination of potentially important technologies.

Additionally, CEERT agrees with the Public Advocates Office’s recommendation that the Commission “...establish a process that will help determine if the suspension of the capacity reservation component of standby charges helps promote the commercialization of eligible microgrids.”<sup>3</sup> A required evaluation of the efficacy of this order is necessary to ensure that it yields tangible, intentional results. Furthermore, CEERT also agrees with the Public Advocates Office that the Commission should clarify that the suspension of the capacity reservation component of the standby charge is subject to either continuation or cessation in 2026 by way of official Commission order.<sup>4</sup> As a “pilot” run of sorts for a tariff of this kind, it is vital that the Commission take adequate measures to ensure this effort is meeting the goal of eliminating barriers to microgrid commercialization while preventing cost-shifting to non-participating customers. Together with an operational assessment of the suspension tariff, official re-evaluation of the tariff, associated

---

<sup>1</sup> Opening Comments of CEJA, LCEA, and 350 Bay Area, at p. 1.

<sup>2</sup> *I.d.*

<sup>3</sup> Opening Comments of Public Advocates Office, at p. 1.

<sup>4</sup> *I.d.*, at p. 4.

stakeholder input, and subsequent Commission action comprises an important process that will both build the record of this proceeding and close the loop on standby charge waivers for microgrids.

## **II. CONCLUSION**

CEERT appreciates the opportunity to comment on this Proposed Decision. Microgrids will play an essential role in California’s resiliency strategy, especially as the state faces climate change-induced wildfires of increasing magnitude and frequency. In addition, microgrids can play a key role in the state’s grid transformation if clean microgrids are correctly incentivized. Thus, CEERT encourages the Commission to use this opportunity to further open the door to widespread microgrid commercialization and clean resource integration.

Respectfully submitted,

July 6, 2021

/s/ MEGAN M. MYERS  
Megan M. Myers  
Attorney for the  
Center for Energy Efficiency and Renewable  
Technologies  
Megan M. Myers  
Attorney at Law  
110 Oxford Street  
San Francisco, CA 94134  
Telephone: 415-994-1616  
E-mail: [meganmmyers@yahoo.com](mailto:meganmmyers@yahoo.com)