



ALJ/KHY/ML2/mef 8/12/2022

FILED

08/12/22

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

09:11 AM

R2106017

Order Instituting Rulemaking to
Modernize the Electric Grid for a High
Distributed Energy Resources Future.

Rulemaking 21-06-017

**ADMINISTRATIVE LAW JUDGE'S RULING NOTICING
ELECTRIC GRID EDUCATION AND OUTREACH WORKSHOP**

This Ruling provides notice to the parties of Rulemaking 21-06-017 of an Electric Grid Education and Outreach Workshop.

The Electric Grid Education and Outreach Workshop will be held on Tuesday, August 23, 2022, beginning at 9:00 am. The workshop will be held remotely through the WebEx platform at the following link:

<https://cpuc.webex.com/cpuc/onstage/g.php?MTID=e7ec6ec5f0b68b5b38385e69ea551be68>

Password: psU9C2m7azX

The Event number or access code is 2487 709 1305.

Call-In Information:

Audio conference information

+1-415-655-0002 United States Toll

1-855-282-6330 United States Toll Free

[Global call-in numbers](#) | [Toll-free dialing restrictions](#)

Join from a video system or application

Dial 24877091305@cpuc.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

The purpose of this workshop is to provide a foundation to parties and other interested community groups and members of the public to better understand distribution planning and the roles and responsibilities of the Distribution System Operator, the focus of Track two of the proceeding. In addition, new and existing plans for community engagement for this proceeding will be presented, along with a discussion of coordination with California Energy Commission outreach efforts.

Prior to the workshop, a proposed outreach plan for Track 2 of this proceeding will be provided to parties and will be discussed during the workshop. Parties should consider the following questions in preparation for this discussion.

1. What additional steps or actions should be added to the Draft Track 2 Outreach Plan?
2. Are there Track 2 Outreach Plan areas that need more emphasis/additions?
3. What unique Track 2 issues should be considered for tribal, rural, or disadvantaged communities?
4. What unique Track 2 issues should be considered for local governments?
5. What information should the Commission seek from listening session participants? What questions should the Commission pose to participants?

Following the workshop, parties shall file comments on the discussed outreach plan for Track 2, including outreach proposals discussed in the presentations provided during the May 3, 2022 Workshop (see attachments B, C, and D), and respond to the questions above. If parties believe that information from other presentations given during the May 3, 2022 workshop is relevant to the discussion of Track 2 community engagement and outreach, parties should

describe how the information pertains to the discussion and attach a copy of the presentation to their comments. Opening comments shall be filed on August 31, 2022 and replies shall be filed on September 9, 2022.

The workshop agenda and presentations provided during the May 3, 2022 Workshop are attached to this ruling. For additional questions, parties may contact Rob Peterson at robert.peterson@cpuc.ca.gov or (916) 823-4748.

IT IS RULED that

1. Electric Grid Education and Outreach workshop will be held remotely on August 23, 2022, beginning at 9:00 am at the link provided in this ruling.
2. Parties shall file comments on the staff proposed outreach plan presented at the August 23, 2022 workshop and the outreach proposals presented at the May 3, 2022 Workshop, and respond to the questions contained in this ruling. Comments shall be filed on August 31, 2022 and replies shall be filed on September 9, 2022.

Dated August 12, 2022, at San Francisco, California.

/s/ KELLY A. HYMES

Kelly A. Hymes
Administrative Law Judge

/s/ MANISHA LAKHANPAL

Manisha Lakhanpal
Administrative Law Judge

ATTACHMENT A



California Public
Utilities Commission



CALIFORNIA
ENERGY
COMMISSION

Electric Grid Education and Outreach Workshop

High DER Future Grid Proceeding (R.21-06-017)

August 23, 2022 (9:00am to 3:30pm)

Participation Details

Join the Meeting (preferred method)	<ul style="list-style-type: none">• https://cpuc.webex.com/cpuc/onstage/g.php?MTID=e7ec6ec5f0b68b5b38385e69ea551be68• Password: psU9C2m7azX
Join by Video System (alternate method)	<ul style="list-style-type: none">• Dial 24877091305@cpuc.webex.com You can also dial 173.243.2.68 and enter the meeting number.
Join by Phone (alternate method)	<ul style="list-style-type: none">• Call: 1-855-282-6330 (United States toll-free)1-415-655-0002 (United States toll)• Event number (access code): 2487 709 1305
Contact	<ul style="list-style-type: none">• Rob Peterson at robert.peterson@cpuc.ca.gov

High DER Grid Planning Proceeding Context¹

- The primary objective of the California Public Utilities Commission (CPUC) High DER proceeding is to prepare the electric grid for a high distributed energy resource (DER) future by determining how to integrate millions of DERs within the distribution grid to maximize societal and ratepayer benefits while ensuring grid reliability and affordable rates.
- **Track 1** of the proceeding, Distribution Planning Process and Data Improvements, has several goals. One of these goals is to improve utility distribution planning to be more responsive to the needs and plans of communities, including, tribes, Environmental and Social Justice (ESJ) communities, and local communities. An external consultant is anticipated to create and implement a Community Engagement Needs Assessment to determine what communities want and need from distribution planning. The scope and cost of the needs assessment would be approved by the CPUC via a Decision. The scope of work for the needs assessment will be developed in a stakeholder workshop and released via a staff proposal planned for the Fall of 2022.
- **Track 2** of the proceeding, Distribution System Operator (DSO) Roles and Responsibilities, explores how alternative DSO models compare in their ability to plan and operate a high DER grid, unlock economic opportunities for DERs to provide grid services, limit market power, reduce ratepayer costs, increase equity, support grid resiliency, and meet State policy objectives. A technical report, called the Future Grid Study, is the primary deliverable planned for Track 2. The Track 2 Outreach Plan presented at this workshop is an Energy Division led effort to engage with tribes, community-based organizations, and local governments to hold listening sessions to understand these stakeholders' needs and

¹ The November 15, 2021, Scoping Ruling for the proceeding can be found [here](#).

preferences for alternative DSO models prior to conducting a series of highly technical workshops designed for Study development. Further details are provided on page 4 below.

Workshop Goals and Objectives

The goals of today's workshop are to: 1) provide foundational education to stakeholders on distribution planning and DSO topics to support meaningful engagement and participation in the High DER proceeding; and 2) present new and existing plans for community engagement for proceeding tracks 1 and 2 and coordination with California Energy Commission (CEC) outreach efforts. The workshop objectives are:

1. Attendees achieve a foundational understanding of:
 - a. How California's investor-owned utilities operate the electric grid;
 - b. Why alternative DSO models are being investigated in proceeding Track 2; and
 - c. What alternative models for grid operations may be considered in the proceeding's Future Grid Study.
2. Draft Outreach Plan for Future Grid Study presented for feedback and discussion.
3. Updated High DER proceeding schedule explained and discussed, including a preview of a future workshop and staff proposal to develop a scope of work for a Community Engagement Needs Assessment designed to determine what communities want and need from distribution planning.²
4. Attendees are empowered to ask questions during and after the workshop.
5. Attendees are motivated to participate in listening sessions planned to follow this workshop.
6. Attendees are informed about opportunities for further engagement and comments (both oral and written).

Agenda

#	Agenda Item	Presenter, Facilitator	Duration	Start Time	End Time
1	<u>Introduction</u> <ul style="list-style-type: none"> • Welcome and Logistics • Opening remarks <ul style="list-style-type: none"> ○ Commissioner Houck, CPUC ○ Vice Chair Gunda, CEC 	CPUC, CEC	15 min	9:00am	9:15am
2	<u>DER Proceedings Overview</u> <ul style="list-style-type: none"> • Today's Workshop Objectives • CPUC High DER Proceeding • CEC DER Informational 	CPUC, CEC	30 min	9:15am	9:45am

² Track 1, Phase 1, Scoping Question #5: "What initial analysis is needed for the Commission to determine in Track 1, Phase 2, of this proceeding how best to improve local engagement in utility distribution planning?" [Scoping Ruling](#) at 13, "Energy Division will conduct a workshop on the scope and funding of a potential community engagement needs assessment"

	Proceeding ³				
3	<u>Electric Grid Operations (Part 1)</u> <ul style="list-style-type: none"> Basics of grid operations Grid topology Generation, transmission, and distribution Ensuring power quality Q/A and engagement 	PG&E, SCE, SDG&E	55 min	9:45am	10:40am
	<u>Break</u>		5 min		
4	<u>Electric Grid Operations (Part 2)</u> <ul style="list-style-type: none"> Planned and unplanned outages Load transfer DERs and two-way power flows DER penetration and the future grid, price signals Grid modernization components, and rollout timeframes Q/A and engagement 	PG&E, SCE, SDG&E	55 min	10:45am	11:40am
	<u>Break</u>		5 min		
5	<u>Why Alternative Grid Operations Models are Being Investigated (Part 1)</u> <ul style="list-style-type: none"> California's climate & energy goals (e.g., climate change mitigation, decarbonization, equity, resiliency, electric vehicles and other DERs) Role of DER in achieving California's goals New distribution utility functions required by high DER future Q/A 	Lorenzo Kristov	45 min	11:45am	12:30pm
	<u>Lunch</u>		30 min	12:30pm	1:00pm
6	<u>Grid Operations Models/Options for a Future Electric Grid (Part 2)</u> <ul style="list-style-type: none"> Basic DSO concepts and core functions Key DSO design choices Comparing alternative DSO 	Lorenzo Kristov with Gridworks	45 min	1:00pm	1:45pm

³ Refer to the CEC's website for, *Order Instituting Informational Proceeding on Distributed Energy Resources in California's Energy Future*, at <https://www.energy.ca.gov/proceedings/energy-commission-proceedings/order-instituting-informational-proceeding-distributed>.

	models <ul style="list-style-type: none"> Q/A and facilitated discussion 				
	<u>Break</u>		5 min		
7	<u>Outreach Plan and Ongoing Education</u> <ul style="list-style-type: none"> Listening sessions and summary report (Track 2) Future Grid Study workshop series and record development (Track 2) Distribution planning community engagement and needs assessment (Track 1)⁴ Draft Future Grid Study education and comment facilitation (via Track 1) Future Grid Study En Banc (Track 2) Updated High DER work plan/schedule (all tracks but focus on Track 2) 	CPUC	50 min	1:45pm	2:35pm
	<u>Break</u>		5 min		
8	<u>Discussion and Attendee Feedback</u> <ul style="list-style-type: none"> Facilitated Q/A and discussion Survey of key points from today and feedback 	CPUC with Gridworks	40 min	2:40pm	3:20pm
9	<u>Next Steps</u> <ul style="list-style-type: none"> Comments on outreach plan and updated schedule due 8/31/22 and 9/9/22 Ruling to adopt final outreach plan Listening sessions Closing remarks 	Commissioner Houck	10 min	3:20pm	3:30pm

Preliminary, Draft Track 2 Outreach Plan Overview

The Track 2 Outreach Plan to be presented at the August 23, 2022 workshop is expected to be organized according to three main principles: educate, listen, and focus. These principles would provide the framework for Track 2 outreach activities. The August 23, 2022, workshop will provide foundational grid operations **education** to stakeholders and will be recorded for future

⁴ Track 1, Phase 2, Scoping Question #3: "Leveraging the analysis identified in Track 1, Phase 1, are there ways in which utility distribution planning representatives could better engage with local and tribal governments, ESJ communities, and local developers to ensure new planned loads and developments are factored into Utility DPPs and local concerns regarding distribution planning are adequately addressed?"

access. A **listening** session series would follow and is currently being planned to occur in September and October as follows.

- Listening sessions would complement other more traditional proceeding stakeholder feed-back methods. Listening sessions would not replace these other feed-back methods but would enable more diverse voices and perspectives to be heard to support Future Grid Study development.
- In coordination with the CEC, up to eight listening sessions may be planned, as follows:
 - Up to five sessions with community-based organizations.
 - One session with tribes.
 - One session with rural local governments.
 - One session with urban/suburban local governments.
- Presentations and recording from August 23, 2022, Electric Grid Education and Outreach Workshop will be used as background for listening session participants.
- A listening session summary will be prepared by the CPUC, reviewed by session participants, and shared with the High DER proceeding Service List. The CPUC Office of the Tribal Advisor may separately provide the session comments and details to session participants upon request.

Track 2 would then **focus** on the technical aspects of Future Grid Study development. Where appropriate, additional education and listening sessions would be scheduled as needed to accompany the following, focused technical sessions.⁵

- Workshop #1 (Q1 2023): Visions and Objectives for a Future Grid
- Workshop #2 (Q1/Q2 2023): Operations Needed for the Future Grid
- Workshop #3 (Q2 2023): Gap Assessment: Collect Additional Gap Information
- Workshop #4 (Q2/Q3 2023): Present and Socialize DSO Model Proposals
- Workshop #5 (Q3 2023): Identify Barriers, Actions, Trade-Offs

Workshop summary reports would be prepared for each technical session. All presentations and documents developed for each technical workshop would be included in the proceeding record following each session, and formal comments would be requested. The Draft Future Grid Study would be issued in 2023 following the workshop series and formal comments would be requested.

As identified in the Scoping Ruling (at 10), an En Banc⁶ would follow issuance of the Draft Future Grid Study to present study findings and gather additional feedback. A Proposed Decision to adopt the Future Grid Study would follow the En Banc, and the final Future Grid

⁵ The technical sessions are further described in the white paper, "Evaluating Alternative Distribution System Operator Models for California," available at <https://gridworks.org/initiatives/california-future-grid-study>. Refinements are being considered to session contents and organization based on feedback received during the May 3, 2022, workshop.

⁶ En Bancs are Commission-hosted public events held for a proceeding that are attended by all commissioners instead of the assigned commissioner alone.

Study would be published as adopted by Decision. Outstanding issues identified in the Future Grid Study for further exploration are expected to be considered for inclusion in a successor proceeding.

To ensure robust comments are received on the Draft Future Grid Study, including from stakeholders that have not traditionally participated in CPUC proceedings on energy issues, Staff propose that outreach already scoped for Track 1 be coordinated with Track 2. This would be accomplished by ensuring that the scope of work to be developed for the Track 1 Community Engagement Needs Assessment (see [Scoping Ruling](#) at 13) includes widespread education and outreach support specific to the Draft Future Grid Study. Scope of work approval, including funding for consultant support, would be determined in a Track 1 Proposed Decision.

Track 2 Outreach Plan Questions for Stakeholder Comment (Due August 31, 2022)

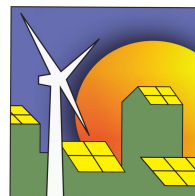
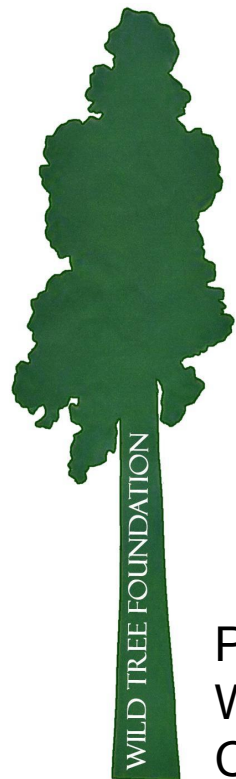
1. What additional steps or actions should be added to the Draft Track 2 Outreach Plan?
2. Are there Track 2 Outreach Plan areas that need more emphasis/additions?
3. What unique Track 2 issues should be considered for tribal, rural, or disadvantaged communities?
4. What unique Track 2 issues should be considered for local governments?
5. What information should the Commission seek from listening session participants? What questions should the Commission pose to participants?

The Draft Track 2 Outreach Plan may be revised based on the discussion and feedback at the August 23, 2022, workshop and formal comments received on August 31, 2022 and September 9, 2022. The Final Track 2 Outreach Plan will be released shortly after formal comments are received.

(END OF ATTACHMENT A)

ATTACHMENT B

Toward a High DER Future: A Community Stakeholder-Focused Alternate Proposal



Presented by
Wild Tree Foundation and
California Alliance for Community Energy



**SIERRA
CLUB**



Response to Gridworks “DSO White Paper” + Proposed Plan

The Paper – well-intended but flawed.

- Obstacles to community stakeholder understanding and engagement - language and concepts
- No recognition of CPUC’s Environmental and Social Justice commitments
- DSO objectives are assumed, not developed in proceeding workshops

Proposed process is antithetical to community stakeholder engagement

- Centers on consultants, not community stakeholders
- Process yields consultant reports not a stakeholder-informed record

Our Alternative Proposal ☐ Five Recommendations

Recommendation #1: Guiding Document

A NEW “White Paper” – to cover:

- The lived experience of frontline communities TODAY.
- The risk of the “no change” scenario to our communities
- What are DERs and their potential benefits to communities & state
- The existing barriers to DER regulatory framework: IOU grid control and operation
- This DSO Proceeding is an opportunity to remove barriers to equitable access to the benefits of DER.

Bottom line: High Stakes for Communities.

A new White Paper must convey the urgency and importance of this effort

Recommendation #2: Objectives

Track 2 should:

- Focus on Community stakeholder engagement
- Engage Communities to define DSO objectives to meet community needs
- Define the objectives in plain language with understandable, real-life terms

Recommendation #3: Improve California Process

- Models from outside California were inefficient and non-productive
- California can and needs to innovate in addressing community and public needs

Recommendation #4: Workshops and Topics

We recommend five workshops – that would engage both Stakeholders and Parties in order to:

Stakeholder Engagement:

- “Draft Community Stakeholder Engagement Plan” *with*
- Guiding Principles

#1 – Objectives:

- Societal goals and public policy objectives for High DER Future
- Identify current barriers to achieving these goals and objectives

#2 – Requirements to remove barriers and achieve these objectives

#3 – Essential operations and functions for meeting the requirements in #3

#4 – Roles and responsibilities of the grid operator and other parties needed to carry out essential operations

Recommendation #5: An Inclusive Record

The engagement of community stakeholders requires trust that their voices will be heard – not diluted or filtered by others.

- Record all workshop presentations and circulate transcripts
- Facilitator's report circulated for comments on the record
- Revised workshop report must be responsive to comments and placed on the record
- Following the workshops, invite on-the-record DSO proposals from all stakeholders
- On record comment and reply comment to follow exploration of DSO proposals
- Model process from other CPUC proceedings, e.g. R.20-08-022 (clean energy finance) and R.19-09-009 (microgrids)

ATTACHMENT C

R.21-06-017

Recommendations for the Track 2 Process

Track 2 Kickoff Workshop, May 3, 2022

Lorenzo Kristov, PhD, consultant to The Climate Center
Electric System Policy, Structure, Market Design

The logo for The Climate Center, featuring a blue square with a green horizontal bar at the top. The text "the climate center" is written in white, lowercase letters, with "the" on the first line, "climate" on the second line, and "center" on the third line.

**the
climate
center**

21st century needs & mandates

- Climate & ecosystem disruptions are already severe & rapidly becoming more frequent, more destructive & harder to predict
- Impacts fall most heavily on frontline & disadvantaged communities
- Fossil energy systems & practices are a major cause of disruption

And yet ... we can't do anything without energy

We need to pursue three major goals, in parallel, with urgency

1. **Sustainability** => Stop making things worse => convert to regenerative energy practices => decarbonize, electrify, reduce & displace fossil fuel use
2. **Resilience** => Prepare for impacts of damage already done
3. **Equity** => Prioritize environmental and social justice; correct past harms & inequities; create a just transition as we retire toxic energy systems

All three goals have local dimensions

1. **Sustainability & Decarbonization** must be addressed through local planning
 - Climate Action & Adaptation Plans; City and County General Plans
 - Zoning & land use decisions; building codes; development projects
 - Housing density, affordable & transit-oriented housing
 - Electrification & redesign of mobility
2. **Resilience (grid outages will happen)**
 - **Don't depend entirely on the grid for electricity:** Build carbon-free microgrids to power critical services & “resilience hubs” when the grid is down
3. **Equity**
 - Target resilience, health & economic benefits of local clean energy to vulnerable & disadvantaged people, frontline communities & neighborhoods

Track 2 needs to hear the voices of people & communities, to recognize the important role of DERs to meet local needs & priorities.

The Challenge for R.21-06-017

Shift the paradigm:

- from “DERs are a problem to be managed”
- to “DERs are crucial to achieving California’s energy justice, resilience & sustainability goals”

Engage the voices of the local communities who will feel the impacts of regulations developed in this proceeding

Facilitate “bottom-up” identification of the needs & benefits of DERs

Evaluate alternative DSO models on their ability to deliver these local needs & benefits

The Scoping Ruling's Track 2 Questions

“1. How do alternative Distribution System Operator models compare in their ability to

- plan and operate a high DER grid,***
- unlock economic opportunities for DERs to provide grid services,***
- limit market power,***
- reduce ratepayer costs,***
- increase equity,***
- support grid resiliency,***
- and meet State policy objectives?***

Community voices are essential to translate these objectives into practical impacts & benefits

“2. Should the Utilities be incentivized to cost-effectively prepare for widespread DER deployments? If so, how?”

Track 2 Process Recommendations

1. Amend the DSO White Paper to reflect the perspective of DERs as essential to achieving California's goals for energy justice, resilience & sustainability, & the role of this proceeding to revise the regulatory framework to enable DERs to best support these goals.
2. Start the workshop series with Workshop #0 to **gather input from communities & locally trusted experts for developing a community engagement plan** that engages & supports ongoing participation by communities affected by policy decisions, especially frontline, disadvantaged & communities of color. **The resulting plan prepared by Staff should specify Commission community engagement activities for the duration of this proceeding.**
3. **Examine & learn from the experience of other jurisdictions in this type of effort.**
4. Revise the four-workshop content to align with the original UCAN proposal or the CACE/WTF proposal being presented today. **It's crucial to discuss & agree on societal objectives for the high-DER future & the electricity system's role in achieving those objectives.**
5. Following the four workshops, have **a process for parties to submit DSO proposals, explain them in on-the-record public meetings, & submit formal comments & reply comments.**
6. **Proposed Decision(s) would follow.**

Thank you.

Lorenzo Kristov
LKristov91@gmail.com

Electric System Policy, Structure, Market Design

(END OF ATTACHMENT-C)

the
climate
center

ATTACHMENT D

Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future Track 2 (Distribution System Operator Roles and Responsibilities) Kickoff Workshop

Proposed Process Amendments to Center Community Engagement and
Achieve Environmental and Social Justice Goals

May 3, 2022



Intro

- In the [Commission's Order](#) initiating this proceeding:

“California’s **Transportation Electrification and climate goals** are expected to result in millions of Electric Vehicles and Electric Vehicle Supply Equipment Distributed Energy Resources (DER) by 2030”

“**California policies, programs, and incentives** (e.g. Net Energy Metering and the Self Generation Incentive Program) continue to drive DER expansion . . . **Legislation** aimed at reducing GHGs from buildings, Commission proceedings, and **local reach codes** are likely to further drive electrification”

“This Order Instituting Rulemaking **anticipates a high-penetration DER future**”

- *This presentation: drive DER growth **From the Ground Up**.*

Grid Inequality/Equitable Deployment

- Disadvantaged Communities (DAC) face “systematically lower circuit hosting capacity for PV” relative to non-DAC communities.
- Targeted grid (or non-wire) investments?

To achieve a high DER future, “there is an opportunity to **put at the front of the queue** communities with historically low DER adoption rates . . .”

- Inequitable Access to Distributed Energy Resources Due to Grid Infrastructure Limits in California (September 2021) Brockway, Conde and Callaway.

Ensure *Meaningful* Community Engagement

- Four Step Logic Process - Missing Steps 1 and 2?
 1. Define high-level objectives for the power system;
 2. Determine the necessary requirements to achieve those objectives;
- How can a High DER future serve the needs of DAC residents?
 - Community priorities for decarbonization?
 - Community ownership of resources?
 - Community economic development opportunities?
 - *Are these needs or opportunities reflected in **cost-effectiveness** analyses?*
- The **CPUC manages** and starts the engagement process **as soon as possible**.
 - Establish relationships now to develop a future seat at the table (including but not limited to the Distribution Planning Process)

Develop a Guiding Principle for Community Engagement to Achieve Environmental and Social Justice Goals

- Example from [the Decision approving community solar pilot projects](#) in the CPUC “San Joaquin Valley Proceeding”

(Replacing “Pilots” with “High DER” or “Distribution System Operator (DSO) Model”)

“**High DER/DSO Model** will advance community benefits including improvements to health, safety, reliability and air quality, and include local hire goals and/or a workforce development plan. Community support is a critical factor and will be considered along with the long-term benefits of improvements to health, safety, reliability, air quality, and reduction of greenhouse gas emissions . . . and ensures bill savings and affordability for participants.”

Determine how to Fund Community Engagement

- CPUC Intervenor Compensation Program – too many barriers/limitations for community residents and community-based organizations?
- CPUC Community Engagement Funding Pilot Program (in development; why just a pilot?)
- \$16M not spent from Administrative Law Judge Ruling Modifying the Distribution Investment Deferral Framework Process (R.14-08-013)
- Other Sources? The California Energy Commission's Electric Program Investment Charge (EPIC) program?

Proposed Next Step

Set a Community Engagement Workshop

- To be held prior to Workshops 1-4
- Energy Division to work with stakeholders/parties/Disadvantaged Communities Advisory Group: content and invites
 - Leverage work on “scope and funding of a potential community engagement needs assessment during the third quarter of 2022 to inform Track 1, Phase 2.”
- Establish funding mechanisms for community engagement
- Workshop to produce a Draft Community Engagement Plan subject to stakeholder and party comment
 - The Draft Community Engagement Plan should include a Guiding Principle(s) and inform this and other future Tracks/Phases of the Proceeding
- In the future, workshops around the State?
 - Hybrid in-person/virtual/on/offline to expand reach?

(END OF ATTACHMENT D)

ATTACHMENT E

Process for Evaluating Alternative DSO Models for California

Robert Perry
Principal Consultant
Synergistic Solutions
May 3, 2022



Evaluation Process Comparison

Workshop	Proposal B (TCC)	Proposal C (UCAN)	Comment
1	Articulate Greater Societal Goals (Decarbonization, Resilience, Environmental Justice)	Define High-Level Public Policy Objectives (Similar, but not always community related)	<u>Prop. B</u> : Societal goals are relatable and community focused. <u>Prop. C</u> : Public policy objectives tend to be more technical and top-down.
2	Specify Ways High DER Future will Contribute to Societal Goals	Identify desired outcomes and system performance characteristics	<u>Prop. C</u> : parameters are important but are systemic and not clearly linked to policy objectives.
3	Describe distribution system requirements to deliver Step 2 outcomes	Specify operational/functional requirements & interdependencies	<u>Prop. C</u> : Steps 2 and 3 are a systemic process but how do they translate to addressing community needs?
4	Specify functional DSO roles and responsibilities	Determine organizational structure & stakeholder roles within DSO model	<u>Prop. B</u> : DSO role emerges from an ideated High-DER future. <u>Prop. C</u> : DSO model required to determine structure and roles (community engagement emphasized but not intrinsic).

Community-Driven Value Propositions

UCAN Opening Comments, P. 3: “Local stakeholders have the best understanding of what their communities need, and UCAN anticipates that the design of a more locally responsive and nimble mode of governance will prove to be the most foundational aspect of this proceeding.”

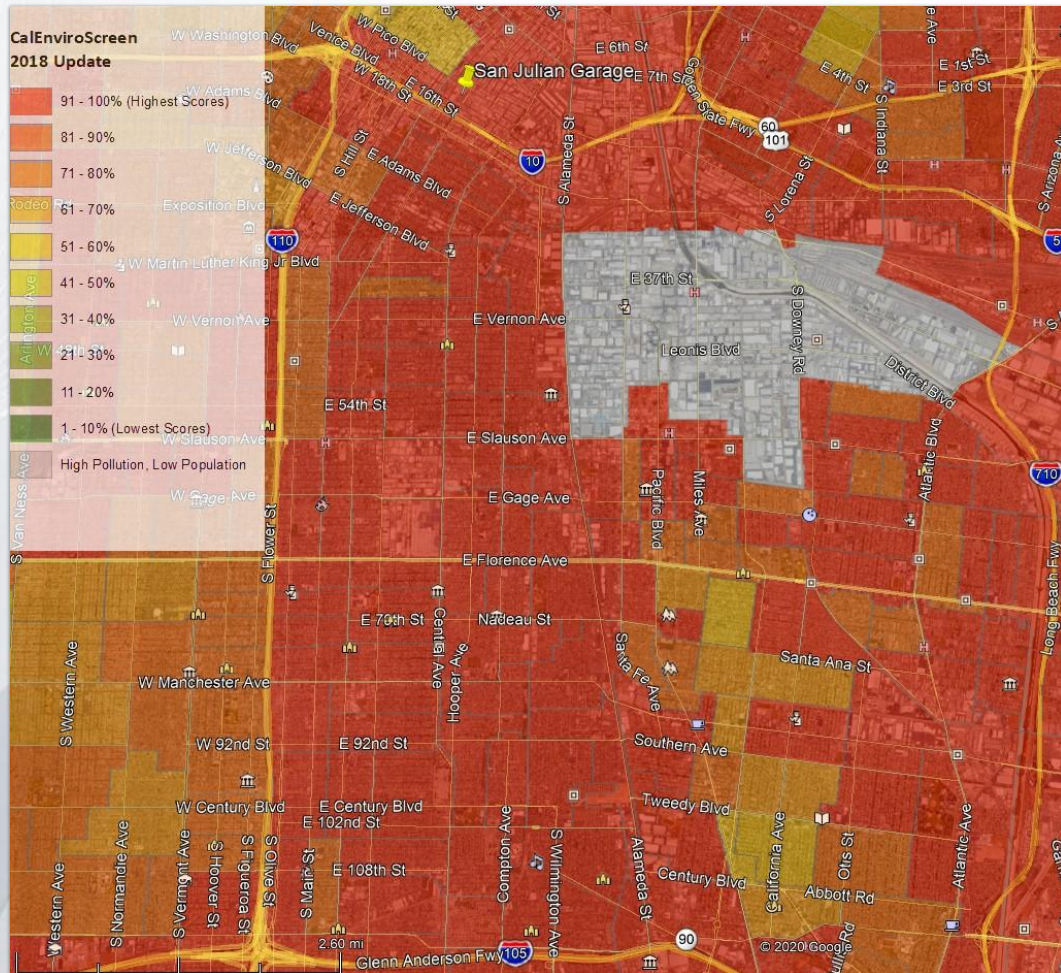
Community Leadership Role: Creates high levels of stakeholder interest and participation, but communities must first have agency and the capacity to act proactively. A solution exists through enacting [SB 833](#), [The Community Energy Resilience Act](#).

Local Collaboration: Identifies natural synergies between net generating sites and load centers within certain grid segments.

Strategic DER Aggregation: Lowers DER procurement costs and defrays grid modernization costs, particularly in areas with high stakeholder participation.

Local Flexibility Markets (UCAN Opening Comments, pp. 14-17). This is a model that can scale within a distribution system to effectively identify and aggregate stakeholders with mutually beneficial energy attributes.

Case Study: South-Central LA



Societal Dynamic: Vulnerable communities are sandwiched between emissions from a “High Pollution, Low Population” industrial zone and surrounding transit corridors.

Neighborhood DERs alone will not fully resolve negative impacts.

A Societal Solution must reverse the current adverse relationship and advance mutually beneficial partnerships between industry, businesses and residents.

Opportunities Created. C-I zones require robust infrastructure and offer surplus capacity. Surrounding neighborhoods can benefit as off-takers while also developing a skilled local workforce (via school-based DER systems) to maintain the new infrastructure. Industrial emissions reductions benefits surrounding communities and transitioning fleets will further reduce transit corridor emissions.

Conclusion

- ❑ **When creating a new, bottom-up energy system, first steps are the most important and must be centered on community energy needs.**
- ❑ **By initially focusing on “greater societal goals” as a foundational premise, Proposal B focuses on articulating a desired high-DER end state from the perspective of those stakeholders most in need of its benefits: residents, institutions and businesses located within vulnerable communities.**
- ❑ **Once societal goals are established, work can commence to determine the policy, regulatory and logistical changes needed to realize the desired high-DER future.**
- ❑ **At this point, the functional roles and responsibilities of the distribution utility or DSO should become self-evident in achieving the desired outcome.**
- ❑ **Although Proposals B and C share many strengths and similarities, Proposal B offers the best path by first focusing on a high-DER future addressing societal goals common to all communities, and then working backwards to determine how the distribution grid, DSO and other stakeholders can best work collaboratively to reach that vision.**

Thank you

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(END OF ATTACHMENT E)