

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Modernize the
Electric Grid for A High Distributed Energy
Resources (DER) Future

Rulemaking 21-06-0217-06017

(Filed July 2, 2021)

**REPLY COMMENTS OF LOCAL GOVERNMENT SUSTAINABLE ENERGY
COALITION (LGSEC) ON STAFF PROPOSAL FOR THE HIGH DER
PROCEEDING**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to
Modernize the Electric Grid for A High
Distributed Energy
Resources (DER) Future

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**REPLY COMMENTS OF LOCAL GOVERNMENT SUSTAINABLE ENERGY
COALITION ON STAFF PROPOSAL FOR THE HIGH DER PROCEEDING**

In accordance with Administrative Law Judge’s KELLY A. HYMES and MANISHA LAKHANPAL April 5, 2024 ruling, the Local Government Sustainable Energy Coalition (LGSEC) hereby submits these Reply Comments for consideration by the California Public Utilities Commission (CPUC) and proceeding parties, which are timely filed.

Penalties Should be Associated with Inaccurate Integration Capacity Analysis

LGSEC greatly appreciates the efforts put forth by parties to constructively evaluate the *STAFF PROPOSAL FOR THE HIGH DER PROCEEDING*. LGSEC is especially grateful for the Interstate Renewable Energy Council, Inc.’s (IREC) careful critique of the Data Portal and Integration Capacity Analysis (ICA) portions, sections 4 through 6. LGSEC strongly agrees that,

...having a reliable, up-to-date, and accurate tool to direct DERs to optimal grid locations is more important than ever. Indeed, accurate ICAs are absolutely essential if California is going to rapidly electrify buildings and transportation while also enabling distributed resources like solar and energy storage to serve the enormous new energy demand that accompanies electrification.¹

¹ Page 3.

LGSEC similarly concurs with IREC that stale, inaccurate ICA elements can result in “...a significant waste of applicant and utility resources as the project will have to be redesigned if the ICA results are not providing accurate and timely information.”²

IREC and other parties³ astutely lay bare the investor-owned utilities’ (IOUs) chronic failure, particularly Southern California Edison (SCE), to provide a comprehensively accurate ICA, despite repeated Commission orders. This poor performance has cost project developers, including local governments, time and money, and undermined the state’s ability to affordably achieve its carbon reduction goals.

In this context, LGSEC recommends that the Commission adopt a more energetic response than IREC’s appropriate insistence on a time limited remedy of ICA flaws.⁴ In addition to IREC’s Recommended Commission Actions,⁵ LGSEC urges the CPUC to adopt the following:

Distributed Energy Resources (DER) Project Developer Remedy: As of January 1, 2025, excess costs, including associated with extra staff, financing, and other items, incurred by project developers as a result of inaccurate ICA data, presentations, or modeling shall be subject to reimbursement by IOU shareholders. An expedited process, under which the CPUC adjudicates applications for project developer cost recovery, will be established by January 1, 2025, under which requests are arbitrated and any associated shareholder payments rendered within six-months. In cases where the IOU is determined to be at fault, IOU shareholders will be responsible for adjudication costs.

As Green Power Institute (GPI) recommends, third party management of ICA maps⁶ is merited, a proposal further supported by Natural Resource Defense Council (NRDC) and Environmental Defense Fund (EDF) findings that forecasts would benefit from objective third party management and validation.⁷

Improved or New Distribution Investment Deferral Framework is Needed Immediately

² Page 7, as well as 8.

³ California Solar & Storage Association similarly identifies unreliable data as a pressing problem, page 2.

⁴ Page 14.

⁵ Pages 15 and 25.

⁶ GPI, page 2.

⁷ EDF/NRDC, page 4.

LGSEC concurs with 350 Bay Area’s recommendation 2, which states,

We emphasize that DER can and should mitigate new loads and offer increased flexibility both behind and in front of the meter – all load served locally will not require upgrades that would otherwise be needed to deliver energy from elsewhere.⁸ 350 Bay Area also encourages the

recognition of the fundamental evolutionary changes occurring in our electric system. We are transforming from a centralized resource model and one-way flow of energy to a distributed architecture incorporating vast quantities of hyper-localized resources with previously unimagined potential capacity to respond to needs communicated by both customer/owners and grid operators.⁹

Omitting DERs from distribution system planning is akin to a public health agency planning for societal resources only considering birth rates, excluding mortality rates. As discussed in LGSEC’s comments, it is essential that an effective mechanism to encourage adoption of beneficial DERs be in place as soon as possible. In this respect, LGSEC agrees with the Joint Community Choice Aggregators (Joint CCAs) that “[t]he Commission should consider contracting with an independent third party to administer a point-specific distribution procurement framework...”¹⁰

State, Regional, Local Government, and IOU Planning Must be Synced

LGSEC also shares the Port of Long Beach’s concerns related to the urgent need for comprehensive transportation electrification planning, including on- and off-road vehicles.¹¹ To ensure that all public agency electrification needs are met without grid disruptions, LGSEC agrees that California Air Resources Board (CARB) actions, as well as local ordinances, should be accounted for in distribution system planning. To the extent feasible new load should be met by locally sited DERs, which can be deployed more rapidly than capitalized utility investment.

⁸ 350 Bay Area, page 3.

⁹ Ibid.

¹⁰ JOINT COMMUNITY CHOICE AGGREGATORS’ OPENING COMMENTS ON STAFF PROPOSAL, Page i.

¹¹ Port of Long Beach, at pp6

LGSEC supports CALSTART's recommendation to transition from top-down Distribution Planning and Execution Process analyses to a bottom-up approach to determine load growth,¹² which would be better aligned with the California Energy Commission's Integrated Energy Policy Report (IEPR).

LGSEC acknowledges the complexities of forecasting load forecasts in disadvantaged communities (DACs). LGSEC recommends that a dedicated collaboration between the Low-Income Oversight Board, DAC-Advisory Group, community-based organizations, and stakeholders be launched to determine a high-confidence pathway for DAC decarbonization.

June 18, 2024

Respectfully submitted,
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¹² CALSTART, page 2.