

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda Item: 12

Agenda ID# 19170

Energy Division

RESOLUTION E-5127 (Rev.1)

March 4, 2021

**R E S O L U T I O N**

Resolution E-5127. Pacific Gas and Electric Community Microgrids Enablement Program

PROPOSED OUTCOME:

- Adopts with Modification the Pacific Gas and Electric (PG&E) implementation plan for the PG&E Community Microgrid Enablement Program.

SAFETY CONSIDERATIONS:

- Enhances public safety and worker safety. Promotes public health and welfare in preparation for wildfire and potential grid outages. PG&E would provide enhanced technical support and project management to assist communities with community-driven resilience projects for critical facilities and vulnerable customers (e.g. community scale microgrids). Program criteria are set to prioritize resources to projects most urgent for public health, safety and public interest.

ESTIMATED COST:

- This Resolution is expected to approve the implementation plan detailing eligibility criteria for the \$27 million capital expenditure matching funds, for offsetting certain electric distribution infrastructure upgrades that are normally the responsibility of the customer. D.20-06-017 requires the \$27 million capital expenditures to be tracked in the Microgrid Memorandum Account subject to reasonableness review during a General Rate Case or via separate Application.

By Advice Letter 5918-E, Filed on August 17, 2020.

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## **SUMMARY**

This resolution approves PG&E's Community Microgrid Enablement Program and PG&E's pro forma Community Microgrid Enablement Tariff ([CMET](#)), attached as Appendix 4 to PG&E AL 5918-E, for use on an experimental basis as part of the PG&E Community Microgrid Enablement Program (CMEP), with the understanding that PG&E will transmit PG&E's pro forma Microgrid Operating Agreement for Commission review within 30 days.

This resolution also instructs PG&E that it may seek modifications to the CMEP, including the Community Microgrid Enablement Tariff, prior to [or after](#) filing its program evaluation as part of its 2023 General Rate Case Application through an additional subsequent Tier 2 Advice Letter on its own motion or in response to direction from the Commission.

## **BACKGROUND**

This Resolution is prepared to dispose of PG&E AL 5918-E in compliance with D.20-06-017 Ordering Paragraph (OP) 17. PG&E transmitted AL 5918-E as required by D.20-06-017. OP 17 requires PG&E to: 1) provide details on its Community Microgrid Enablement Program (CMEP) regarding program scope, project applicability, and eligibility criteria; 2) report out on meet and confer outreach conducted with local and tribal governments and CCAs to refine program scope, project eligibility and matching funds applicability; and 3) provide evidence of completion for the meet and confer sessions held.

## **NOTICE**

Notice of AL 5918-E was made by publication in the Commission's Daily Calendar as of August 19, 2020. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

## **PROTESTS**

PG&E's Advice Letter 5918-E was timely protested by California Environmental Justice Alliance (CEJA), Concentric, Joint Community Choice Aggregators (Joint CCAs), and the Microgrids Resource Coalition (MRC). PG&E received responses

from the Clean Coalition and from the California Energy Storage Association (CESA).

Protests and responses advocated to a) reject the advice letter; b) modify definitions of terms such as disadvantaged community and critical facility; c) require advance notification of grid outage; d) mandate compensating microgrids for resource adequacy; e) redefine cost responsibility for distribution upgrades; f) consolidate the number of interconnection agreements; g) remove installed capacity limits; h) revise program guidelines; and I) refine prioritization criteria.

CEJA's protest focused on supporting the AL with requests to modify the definition of disadvantaged community, eligibility criteria, community engagement, and project prioritization. Concentric's protest focused on supporting the AL with requests to modify the 20 MW installed capacity cap, allow microgrids to be compensated for resource adequacy, and not require a separate Interconnection agreement for each microgrid project resource. Joint CCA's protest focused on supporting the AL with requests to modify program guidelines or methods to assure customers about receiving cost offset to reduce risk; and defer some policy issues that need addressed in the Rulemaking. MRC's protest requested the Commission to reject the AL citing General Order 96-B section 7.2.4 stating using the AL process was inappropriate because matters of intense public interest should be addressed in a rulemaking.

Clean Coalition's response focused on requesting expansion of the definition for critical facilities, requiring a map showing eligible locations, and notifying of estimated fees for studies. CESA's response focused on supporting the AL with modifications such as advance notification of emergency events and clarifying prioritization criteria.

PG&E responded to the protests of CEJA, Concentric, Joint CCAs, and MRC and to the responses of the Clean Coalition and the California Energy Storage Association on September 15, 2020. The details of the protests and PG&E responses to protests are provided below.

**1. Request To Reject The Advice Letter On Grounds That Relief Requested Is Pending In R.19-09-009**

The Microgrids Resource Coalition (MRC) requests the Commission to reject the advice letter citing GO 96-B Section 7.2.(4). Specifically, MRC claims that the relief requested in the Advice Letter is pending before the Commission in a formal proceeding R.19-09-009 and that the relief requested in the Advice Letter is inappropriate for the advice letter process.

The Commission rejects the MRC request because it is erroneous. The Commission authorized PG&E to transmit the Tier 2 Advice Letter by Ordering Paragraph 17 in D.20-06-017. It is consistent with GO 96-B paragraph 5.1, where it states “The primary use of the advice letter process is to review a utility’s request to change its tariffs in a manner previously authorized by statute or Commission order, to conform the tariffs to the requirements of a statute or Commission order, or to get Commission authorization to deviate from its tariffs. Additionally, GO 96-B, section 5.1 clearly allows this advice letter submittal where it states: “A utility may also request relief by means of an advice letter where the utility: (1) has been authorized or required, by statute, by this General Order, or by other Commission order, to seek the requested relief by means of an advice letter”.

**Therefore, consistent with GO 96-B section 7.6.1, The Commission finds that the MRC request should be rejected because the protest is clearly erroneous.**

**2. Request To Reject Advice Letter On Grounds This Issue Is Inappropriate For The Advice Letter Process Because It Is A Topic Of Intense Public Interest**

MRC states that the Track 1 order directed PG&E to work with stakeholders on the CMEP program scope, but the tariff appears to have been developed unilaterally and stakeholders were not consulted about its creation or content.

California utilities regulated by the Commission must provide services contained in their tariffs. According to GO 96-B, section 9.6.1, a utility shall serve its California customers only at rates and under conditions contained in its tariffs then in effect. To initiate the new services proposed by the PG&E Community Microgrid Enablement Program, PG&E needs to seek the Commission’s approval and as previously stated above, the Commission authorized PG&E to submit a full description of the new program by using a Tier 2 Advice Letter. The new program involves imposing new or modified fees, extending cost offsets, and creating or modifying new service agreements, all of which are properly addressed within auspices of a tariff.

The Commission required PG&E to meet and confer with stakeholders to address questions posed in the Decision section 4.3.4.1 in framing the program. In its submittal, PG&E provided documented evidence that they obtained input and feedback from five community workshops. Furthermore, the advice letter process provides interested persons the time to protest along with requiring a utility to reply as part of its due process.

**Consequently, the Commission finds that the MRC protest is without merit and is rejected as erroneous.**

**3. Request To Modify Definitions For DAC And Critical Facilities, And Expand Definitions To Include Food Banks, Grocery Stores And Pharmacies**

CEJA and Joint CCAs requested the Commission to modify or expand definitions for DAC and critical facilities to include additional essential services that customers rely upon during outage events. While it is not within the scope of R.19-09-009 to change definitions which are under consideration in other Commission proceedings including but not limited to those involving the Self Generation Incentive Program and the De-energization Proceeding (R.18-12-005), the parties here have requested only harmonization of the definition between the two proceedings.-

**Consequently, the Commission finds that these requests are reasonable and should be adopted. PG&E shall utilize the most recent definition of "critical facilities" adopted in R.18-12-005 or a successor proceeding, as that definition may be updated from time to time, for purposes of the Community Microgrid Enablement Program.**~~rejected for technical reasons.~~

**4. Request To Require PG&E To Provide Advance Notice To Microgrids Prior To Initiating Emergency Events**

CESA and the Joint CCAs recommended PG&E be required to communicate potential emergency events or other situations under which entering islanding mode may be indicated, with ample notice so that operators may adjust their commitments to other grid-services appropriately or to enable full charging of the microgrid energy storage system prior to an outage event.

PG&E states in its Reply to Protests that it intends to provide advance notice to microgrids regarding PSPS events and planned outages according to operating protocols in the Microgrid Operating Agreement and as consistent with PG&E's pro forma Operating Agreement in the Transmission Interconnection Handbook.

**The Commission finds this explanation reasonable given that Commission intends to review the pro forma Microgrid Operating Agreement to which PG&E and a microgrid aggregator would be legally bound once they execute an agreement.**

#### **5. Request To Allow Microgrids To Be Compensated For Resource Adequacy**

Concentric expressed concern regarding PG&E's role where they stated, "Given that the CMET places PG&E in an operator role in both blue sky and islanded conditions, it will be exceedingly difficult for Project Resources to secure RA contracts with parties other than PG&E, particularly if PG&E is acting as the sole buyer of local RA". Concentric asserted that the CMET must provide a mechanism by which PG&E would purchase the local, flexible, and system resource adequacy values from the project resources in the microgrid. They reasoned that it would be unjust, unreasonable, and unduly discriminatory for PG&E to fail to compensate the microgrid for value provided to utility ratepayers.

The CMET tariff is not anticipated to unduly prevent participation in the market and there is no separate nor distinct obligation in CPUC authorized tariffs, rates, Decisions or rules for PG&E to compensate community microgrids for resource adequacy. In "blue sky"<sup>1</sup> mode the microgrids operate like any other distributed energy resource. Microgrids may participate in the resource adequacy programs in accordance with authorized Commission decisions and as defined by the CAISO Tariff, and CAISO business practice manuals. A multi-property microgrid installed by a community can participate in the market so long as its participation does not impede the microgrid capability to island upon a control instruction sent by PG&E.

The Commission observes that microgrid roles and responsibilities are relatively new. While the Commission grants conditional approval of the CMET using the proposed tariff language as a starting point, it will be important to remain open to

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<sup>1</sup>Blue sky mode refers to a regular-day state, before an outage event happens.

change so this experimental tariff evolves with experience. There may be a legitimate concern if the CMET is overly restrictive or inappropriately limiting participation in a contract or agreement.

The Commission does not want the CMEP or the CMET to cause unintended consequences that may unintentionally impair the compensation streams that may be necessary to foster commercial microgrid development. Neither does Commission want to limit the utility's ability to operate the electric distribution system safely and reliably.

**The Commission is expected to address these policy questions during a formal proceeding, as the CMEP and CMET gain more experience. The existing opportunity is to address them in an appropriate proceeding such as during a future track of R.19-09-009, other open proceedings, or during the PG&E GRC where D.20-06-017 stated that the CMEP will be evaluated.**

#### **6. Consolidate Interconnection Agreements To Minimize Number Of Agreements Needed By Resource**

Concentric states that it is unjust and unreasonable to require each project resource to require a separate interconnection agreement. Concentric advocates that it is appropriate to treat the project resources as a hybrid installation in the interconnection process such as in situations where the project resources are required to operate with a single microgrid islanding point.

PG&E's proposed CMET is written to comport with existing Rule 21 that requires separate agreements for each generating or interconnecting facility that has a point of interconnection with the PG&E distribution system. The applicable rules in Rule 21 remain in force and would be applied for verifying the ability for the individual distributed energy resources to interconnect as they would for a resource that operates in blue sky mode as a typical grid connected generating facility.

The microgrid islanding study is an additional incremental study that examines the ability of the project resources to manage and balance loads and assess how they perform as an integrated system in an islanded mode. It is required to ensure the operational safety and stability of the Community Microgrid during Islanded Operations. The study relies on detailed information about the Grid-Forming Generator(s), its interconnection to the grid, transition from grid tied to islanded

and back to grid tied, and the microgrid circuit itself. The Commission understands that PG&E will be evaluating the microgrid to verify the project's distributed energy resources meet PG&E Rule 2 requirements in both blue sky and islanded modes. The microgrid control functions will be tested ~~at PG&E's San Ramon Applied Technology Services (ATS) where PG&E will be~~ using a plan based on microgrid specific standards including IEEE 2030.7<sup>2</sup> and IEEE 2030.8.3. The evaluation of the microgrid performance on PG&E's system performance evaluation at ATS will be based on IEEE 1547-2018 voltage and frequency ride-through requirements and may incorporate other performance metrics required by PG&E technical or operational requirements. From a protection standpoint for parallel/blue sky operation, PG&E applies California Rule 21, the Wholesale Distribution Access Tariff, Distribution Interconnection Handbook, Transmission Interconnection Handbook, and PG&E protection standards. For island mode operations, IEEE 2030.7 and internal PG&E Protection processes are applied. ~~as a basis, such as the Planning Manuel Chapter 8 (protection).~~

**The Commission understands and finds it reasonable that PG&E has communicated additional information describing the Microgrid Islanding Study in PG&E's Technical Resilience Guide on a publicly available PG&E CMEP webpage as of December 2020.**

#### **7. Remove The 20 Megawatt Installed Capacity Cap**

Concentric opposed the 20-megawatt installed capacity cap arguing that it was unjust, unreasonable and discriminatory to various renewable technologies including wind energy technology or solar. Concentric requested that the cap be removed, increased, or clarified to state that the nameplate capacity limitation is an effective export limitation to establish equivalency for renewable energy technologies.

PG&E in Reply states that they selected the 20-megawatt cap in comparison to the typical maximum capacity for a 21 kilovolt (kV) distribution circuit. The Commission understands similarly that PG&E specifies 10-megawatts as the typical maximum capacity for a 12 kV feeder. PG&E indicated that facilities larger than 20 MW would typically need to be connected to a substation bus or transmission line, which is a more complex and expensive undertaking outside the target scope and funding for the CMEP. PG&E asserts that nameplate capacity is an appropriate metric for planning and design.



The Commission concurs that PG&E's initial approach provides a reasonable explanation that it is not unfair or discriminatory for a utility to designate an installed capacity in defining its program, particularly for an experimental tariff for these initial multi-parcel microgrids. As a foundational starting point, PG&E can use this value of 20-megawatts as the cap in the beginning stages of CMEP.

**The Commission directs PG&E to evaluate whether the cap needs to be adjusted in the upcoming program evaluation.**

#### **8. Establish Clear and Verifiable Program Guidelines**

Joint CCAs recommended that the community microgrid eligibility rules should be based on clear, verifiable metrics, and expanded to include customers impacted by outages triggered by natural disasters.

PG&E eligibility criteria includes "prone to outages" which can mean "likely to experience" outages as such, it would not necessarily bar from consideration those communities which have been impacted by natural disasters such as wildfires, thunderstorms, or earthquakes as the Joint CCAs suggest. Some natural disasters cause outages that fall within the category of low frequency high consequence events so they may not be top priorities in comparison to the PG&E proposed metric of 1% worst circuits. It is correct that the R.19-09-009 focus has been on near term resiliency projects primarily motivated by fire season preparedness. In fact, the Track 1 Decision states in the Summary that it "adopts solutions to accelerate interconnection of resiliency projects in advance of the upcoming wildfire season."<sup>2</sup>

**The Commission requires PG&E to provide an update on the outcome from using the defined eligibility criteria and the prospect of expanding the criteria to other community needs or triggers during the first program evaluation which D.20-06-017 directed PG&E to include in its General Rate Case Application.**

#### **9. Clarify Implementation for Prioritization Criteria of First Come First Served**

CESA and the Joint CCAs asserted that it is not obvious how PG&E intends to reconcile project prioritization with the statement that communities would be admitted to the program on a first-come, first-served basis.

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<sup>2</sup> Commission Decision D.20-06-017

PG&E explained in its Reply to protests that the cost offsets would be prioritized first come first served and require that the customer complete a Special Facilities Agreement and Microgrid Islanding Study as a condition.

**The Commission finds PG&E's filing adequate in this regard and rejects the protest.**

#### **10. Provide Method to Assure Customers Receive Cost Offset**

Joint CCAs request PG&E to clarify whether cost offsets would cover line upgrades and/or new facilities or lines that are required on the customer side of the meter to implement the microgrid islanding function.

According to the PG&E Reply to Protests, the trigger for confirming and reserving the cost offset is completion by the customer of the Special Facilities agreement and the Microgrid Islanding Study. Requiring the customer and/or microgrid aggregator to progress through a process involving the initial application, interconnection study, islanding study, and agreement to the special facilities, ensures that the project is likely to proceed and provides the level of commitment necessary to reserve the cost offset.

**The Commission finds that this approach is appropriate for the initial phase of the Community Microgrid Enablement Program, and directs PG&E to report its preliminary experience using this criterion during the first program evaluation required by D.20-06-017 to be included in PG&E's General Rate Case Application.**

#### **11. All Cost For Transmission And Distribution Upgrades For Microgrids That Serve A Public Interest Or A Critical Need Should Be The Responsibility Of The Utility**

In the CMET, PG&E proposes to offset costs to install PG&E owned and operated equipment up to a \$3 million cap per project. According to PG&E the cost responsibility for these upgrades is normally the responsibility of the customer requesting the upgrade. The Joint CCAs argue that if multiple customer microgrids serve critical facilities that serve a public good then there may need to be a cost responsibility assigned to the utility or ratepayers as a whole to cover the required grid upgrades. The Joint CCAs recommend that this issue be further

litigated in the policy track of R.19-09-009 and whatever the Commission determines in regards to cost responsibility for grid upgrades under the CMET should not set precedent for future microgrid commercialization.

The Joint CCAs request PG&E clarify if cost offsets would also cover line upgrades and/or new facilities or lines that are required on the customer side of the meter to implement the islanding function of the microgrid. They argue that if the operation of the microgrid results in the deferral or elimination of any future planned distribution system upgrades, that the value of these avoided and/or deferred distribution system upgrades be used to offset the cost of the microgrid.

Making a change such as offsetting additional costs of a community microgrid through avoided costs of utility needs, would be a material change. This is also potentially an issue that may warrant discussion in a future formal proceeding. In its Reply, PG&E recommended that the AL be allowed to go forward without this change.

Commission finds this issue of incorporating avoided cost of utility upgrades is a larger policy issue to be addressed in R.19-09-009 or other formal proceeding. Contingent on how the Commission resolves this issue, PG&E may be required to make revisions to its CMET in the future.

**The Commission finds that PG&E shall be allowed to move forward with the CMET and that this potential change would be contingent on other policy discussions in R.19-09-009 or other appropriate proceeding.**

The Commission determines that the Protests were erroneous, involved technical error, or could be addressed in subsequent submittals based on experience gained in implementing this experimental tariff, based on the Commission analysis and recommendations attached in Appendix A.

We found no merit to the request to reject the Advice Letter because General Order 96-B allows this issue to be addressed by Advice Letter. We concurred with PG&E's clarifications made in reply to protests in several instances. We require PG&E to report out in its program evaluation of the Community Microgrid Enablement Program on several issues. And, we defer consideration of some policy issues to other active Commission proceedings.

## **DISCUSSION**

The Commission has reviewed the Advice Letter AL 5918-E, the protests of CEJA, Concentric, Joint CCAs, and MRC. Additionally, the Commission has reviewed the responses from the Clean Coalition and from CESA and the reply of PG&E to protests and responses.

D.20-06-017 Ordering Paragraph 17 required PG&E to transmit a Tier 2 Advice Letter within 60 days of the decision issuance. It required PG&E to include Community Microgrid Enablement Program implementation details regarding the program scope, project applicability and eligibility criteria including, but not limited to, the content included in section 4.3.4.1 and all of the requirements listed in Section 5.1.2 of that decision. PG&E transmitted AL 5918-E on August 17, 2020 which was 60 days from the date of issuance. We verified that the Advice Letter addressed the required content including sections 4.3.4.1 and 5.1.2, based on the following criteria:

- a. Consistency with D.20-06-017;
- b. Consistency with General Order 96-B;
- c. Consistency with Public Safety;
- d. Responsiveness to Protests and responses; and
- e. Coordination with other related Proceedings.

The Commission acknowledges that the PG&E CMEP is a nascent program with an experimental tariff for a limited duration commencing from the effective date of this Resolution through December 31, 2022. The experimental program aims at providing resilience for critical facilities and vulnerable communities. As such, the Commission used as a guiding principle that providing PG&E operational flexibility was warranted to enable the program to move forward. This approach is reasonable while setting follow-up expectations for PG&E to report back with additional information or analysis as the program gains experience and lessons learned.

The Commission notes optimizing the Community Microgrids Enablement Program will include requiring PG&E to clarify the process that PG&E will use to conduct outreach and solicit feedback with the disadvantaged and vulnerable communities by providing an outreach plan. The outreach plan would identify the communities that PG&E will contact, a schedule, and the methods of outreach (phone calls, web-based meetings, letters). Subsequently, PG&E will be directed to summarize the feedback received from implementing the outreach plan in the

program evaluation required by D.20-06-017. In response to stakeholder concerns about transparency related to the description of the new Microgrids Islanding Study—including the modes of operation that would be studied and the requirements governing the PG&E microgrids islanding study—the Commission notes that PG&E has uploaded information about the microgrids islanding study into the publicly available webpage containing its Technical Resilience Guide and available online to prospective communities local and tribal governments.<sup>3</sup>

## **COMMENTS**

Comments were filed on [February 18, 2021](#). Comments were timely filed by [California Environmental Justice Alliance \(CEJA\) and Pacific Gas and Electric Company \(PG&E\)](#). [No replies were filed](#).

### **1. Clarify Outreach Plan By Specifying The Date By Which PG&E Must Submit the Outreach Plan and Requiring PG&E To Make the Outreach Plan Publicly Available on PG&E Webpage**

[CEJA asserts that PG&E should bolster its outreach plan to ensure a robust and meaningful community engagement to encourage community participation in CMEP. They advocate that effective outreach plans would include information detailing the substance and content of community outreach. CEJA recommends the Commission require PG&E to provide its outreach plan by a specific date and direct PG&E to make the outreach plan publicly available on a Commission or PG&E webpage. We agree and make the associated modifications to this draft Resolution by directing PG&E to submit its outreach plan within 45 days of the effective date of this resolution and uploading the outreach plan to the PG&E webpage.](#)

### **2. Align Community Microgrid Enablement Program Eligibility Criteria With Those Criteria In the Microgrid Incentive Program**

[CEJA recommends that the eligibility criteria for the Community Microgrid Enablement Program and the Microgrid Incentive Program approved in D.21-01-018 should be harmonized stating that the MIP and CMEP are expected](#)

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<sup>3</sup> [https://www.pge.com/en\\_US/safety/emergency-preparedness/natural-disaster/wildfires/community-resilience-guide.page?WT.mc\\_id=Vanity\\_resilience](https://www.pge.com/en_US/safety/emergency-preparedness/natural-disaster/wildfires/community-resilience-guide.page?WT.mc_id=Vanity_resilience)

to complement each other. They advocate that two complementary programs with differing eligibility criteria would lead to unnecessary complication that could create barriers to participation particularly in disadvantaged communities.

D.20-06-017 authorized development of the CMEP for years 2020-2022, after which a program evaluation included in the PG&E 2023 General Rate Case Application would enable the Commission to evaluate whether the program should continue beyond 2022. Based on the scheduling for creation of the MIP, that program may not begin implementation until 2022. Attempting to align each program could delay the CMEP. Because the CMEP will be evaluated during the PG&E GRC, the Commission may elect to end the program, modify it, or merge it into the MIP. Consequently, the Commission perceives the CMEP and the MIP as separate distinct programs and finds that it is unnecessary to further delay CMEP implementation by requiring PG&E to harmonize eligibility criteria with the MIP at this time.

### 3. Expand PG&E Authority to Propose Changes to the Program Based on Experience

PG&E requested that it be allowed to transmit additional Tier 2 advice letters to propose additional changes to the CMEP/CMET whether before or after transmitting the initial program evaluation required by D.20-06-017. Doing so would allow modifications to be made as the program evolves with experience. We agree that this approach is consistent with the Commission's intention to support timely implementation of the program going forward and finds that these requested changes are reasonable and should be adopted.

### 4. Harmonize Across Commission Proceedings by Using Most Recent Adopted Definition for Critical Facilities

PG&E recommends that the Commission should incorporate the definition of "critical facilities" as revised in the public safety power shutoff rulemaking, R.18-12-005. PG&E supports using the latest adopted definition of critical facilities because it would harmonize the implementation of public safety power shutoff and microgrid policy. The Commission finds this request reasonable and should be adopted.

## 5. Correct Minor Errors in the Draft Resolution

PG&E identified several minor errors in the Draft Resolution regarding the involving descriptions of PG&E's microgrid testing and the relevant source documents that PG&E would apply in evaluating the microgrid. The Commission has reviewed the proposed changes, finds them reasonable and that they should be adopted. PG&E's recommended changes would amend the location where microgrid control functions would be tested

## 6. Providing Advance Notice of Planned Outages And Islanding

Without requesting modifications to the Draft Resolution, PG&E offered clarifications stating how and when PG&E intends to provide advance notice to microgrids regarding planned outages such as a public safety power shutoff. In its comments, PG&E stated that it intends to provide advance notice of planned outages in accordance with applicable FERC rules. PG&E states that it must retain the right to island without notice in emergencies and indicates that advance notice of service interruptions to community microgrid aggregators may not be possible during unplanned situations. PG&E states that PG&E will address clarifications regarding these issues in the PG&E Microgrid Operating Agreement. The Commission notes this information and acknowledges that no conforming change to the Draft Resolution is necessary at this time.

## **FINDINGS**

- 1) D.20-06-017 directed PG&E to file an Advice Letter to address the details of D.20-06-017 sections 4.3.4.1 and 5.1.2
- 2) A Tier 3 Advice Letter is an appropriate and approved venue for PG&E to address the implementation details addressed in AL 5918-E.
- 3) PG&E AL 5918-E met the requirements of D.20-06-017, OP 17 including details of Section 4.3.4.1 and 5.1.2.
- 4) It is reasonable to allow PG&E to implement its CMEP and CMET without further delay for the potential benefits that may accrue to local and tribal governments from program implementation.
- 5) The Commission finds that the program scope, project applicability, and eligibility criteria for the CMEP set forth in AL 5918-E are reasonable.
- 6) Commission finds that the prioritization criteria for the CMEP set forth in the Advice Letter, including the proposal to set aside a portion of capital funding

for Disadvantaged and Vulnerable Communities as defined in PG&E AL 5918-E, are reasonable and acceptable for implementing OP 17 of D.20-06-017.

- 7) Given the benefits that may accrue to local and tribal governments through its implementation, it is reasonable for the Commission to allow PG&E to use the proposed PG&E's pro forma Community Microgrid Enablement Tariff, for use on an experimental basis as part of the CMEP, with the understanding that PG&E will transmit PG&E's pro forma Microgrid Operating Agreement for Commission review.
- 8) PG&E must clarify the process it will use to conduct outreach and solicit feedback with the disadvantaged and vulnerable communities by providing an outreach plan.
- 9) It is reasonable to allow PG&E to address advance notification about grid outages within the microgrid operating agreement.
- 10) It is reasonable to conditionally approve the PG&E pro forma Community Microgrid Enablement Tariff.
- 11) It is reasonable to evaluate the methods to compensate the project resources within a microgrid such as resource adequacy in the appropriate Commission proceeding, a future track of R.19-09-009, or during the PG&E General Rate Case where D.20-06-017 defines that the CMEP will be evaluated.
- 12) PG&E communicated information describing its microgrid islanding study on a publicly available webpage.
- 13) It is not unfair nor discriminatory for a utility to designate an installed capacity based upon using the typical maximum capacity for a distribution feeder in defining its program.
- 14) It is reasonable to direct PG&E to evaluate whether the installed capacity cap needs to be adjusted in the CMEP program evaluation.
- 15) It is reasonable to require PG&E to report out on effectiveness of the initially defined eligibility criteria within the initial CMEP program evaluation.
- 16) It is reasonable to allow PG&E to implement the proposed application process subject to reporting out effectiveness during the initial CMEP program evaluation.
- 17) It is reasonable to consider the issue of incorporating avoided costs of utility upgrades as a broader policy issue in R.19-09-009 or other Commission Proceeding.
- 18) The Commission determined that the Protests were erroneous, involved technical error, or could be addressed in subsequent submittals based on experience gained in implementing this experimental tariff, based on the Commission analysis and recommendations attached in Appendix A.



- 19) The Microgrid Resources Coalition requests to reject the Advice Letter are erroneous and without merit because they are inconsistent with GO 96-B section 7.6.1 and section 9.6.1.
- 20) The CEJA and Joint CCAs requests to modify or expand definitions for disadvantaged community and critical facilities are rejected for technical reasons because they are under consideration in other Commission Proceedings.
- 21) It is reasonable to allow PG&E to seek modifications to the CMEP, including the Community Microgrid Enablement Tariff, ~~prior to filing its program evaluation as part of its 2023 General Rate Case Application~~ through an additional subsequent Tier 2 Advice Letters s-on its own motion or in response to direction from the Commission.

**THEREFORE IT IS ORDERED THAT:**

- 1) The request of the Pacific Gas and Electric Company (PG&E) to establish program implementation details for its Community Microgrids Enablement Program (CMEP) including program scope, project applicability and eligibility criteria as requested by Advice Letter (AL) 5918-E, is approved, pending modifications that PG&E must make pursuant to Ordering Paragraph 3 below.
- 2) The Commission approves PG&E's pro forma Community Microgrid Enablement Tariff, attached as Appendix 4 to PG&E AL 5918-E, for use on an experimental basis as part of the CMEP, with the understanding that PG&E will transmit PG&E's pro forma Microgrid Operating Agreement for Commission review within 30 days of the effective date of this Resolution.
- 3) Within 30 calendar days of the effective date of this Resolution, PG&E will file a Tier 1 advice letter that conforms its CMEP with the following modifications:
  - (a) File the Community Microgrid Enablement Tariff (CMET) in its final form.
  - (b) Transmit by compliance filing the pro forma Microgrid Operating Agreement for Commission review and disposition;
- 4) Within 45 calendar days of the effective date of this Resolution, PG&E is directed to make the PG&E outreach plan publicly available on PG&E's website and is directed to provide the outreach plan to the Energy Division's Central Files to the designated Commission electronic mailbox via electronic filing to [EnergyDivisionCentralFiles@cpuc.ca.gov](mailto:EnergyDivisionCentralFiles@cpuc.ca.gov).

- 5) PG&E is directed to summarize the feedback received from implementing the outreach plan when PG&E transmits the CMEP program evaluation required by D.20-06-017.
- 6) PG&E may seek modifications to the CMEP, including the Community Microgrid Enablement Tariff, ~~prior to filing its program evaluation as part of its 2023 General Rate Case Application~~ through a subsequent Tier 2 Advice Letter on its own motion or in response to direction from the Commission.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 4, 2021; the following Commissioners voting favorably thereon:

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RACHEL PETERSON  
Executive Director