

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

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013 (Filed August 14, 2014)
And Related Matters.	Application 15-07-002 Application 15-07-003 Application 15-07-006
<b>(NOT CONSOLIDATED)</b>	
In the Matter of the Application of PacifiCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005 (Filed July 1, 2015)
And Related Matters.	Application 15-07-007 Application 15-07-008

**COMMENTS OF THE CLEAN COALITION IN RESPONSE TO ADMINISTRATIVE  
LAW JUDGE’S RULING PROVIDING GUIDANCE FOR THE DISTRIBUTION  
PLANNING ADVISORY GROUP**

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September 11, 2018

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Clean Coalition respectfully submits these comments in response to Administrative Law Judge Mason’s Ruling Providing Guidance for the Distribution Planning Advisory Group (“Ruling”), dated September 4, 2018 regarding extension the DPAG review period for the first DIDF cycle, in order to consider various issues.

**II. SUMMARY**

- We support the proposal to extend the scope of the Distribution Planning Advisory Group (DPAG) agenda for the first year, in order to provide a preliminary evaluation of recent Distributed Energy Resource (DER) solicitations to inform the Investor-owned utilities’ (IOUs) process for this cycle.

- Review of prior DER solicitation experience is valuable in identifying both effective approaches to DER procurement and barriers to success and optimization of procurement.
- It is important to understand how the planning assumptions, as applied, influence both the reported grid needs and define the contingency requirements, thereby constraining the potential mitigations.
- Additionally, prior procurement experience is essential to inform the Integrated Distributed Energy Resources (IDER) Rulemaking (R.) 14-10-003 and ensure that lessons are learned and applied, particularly in light of the February 12, 2018 Amended Scoping Memo in that proceeding to:
  - a. Design alternative sourcing mechanisms or approaches that satisfy distribution planning objectives; and
  - b. Consider how existing programs, incentives, and tariffs can be coordinated to maximize the locational benefits and minimize the costs of distributed energy resources.

### **III. DESCRIPTION OF THE PARTY**

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise on behalf of the environmental interests of ratepayers. The Clean Coalition has been an active and consistent participant in both the Integration Capacity Analysis (“ICA”) and Locational Net Benefits Analysis (“LNBA”) working groups and an original advocate for distribution resource planning and processes. In addition, we have remained a leading intervenor in interconnection proceedings and an active participant in the Integrated Distributed Energy Resources (“IDER”) working groups that seek to utilize the ICA and LNBA results.

### **IV. COMMENTS**

#### **Extending the scope of the DPAG agenda**

We support the proposal to extend the scope of the Distribution Planning Advisory Group (DPAG) agenda for the first year, in order to provide a preliminary evaluation of recent

Distributed Energy Resource (DER) solicitations to inform the Investor-owned utilities' (IOUs) process for this cycle.

As the Ruling accurately notes, it is important to understand how the planning assumptions, as applied, influence both the reported grid needs and define the contingency requirements, thereby constraining the potential mitigations. Not only does the use of baseline, high, or low, default load and DER growth scenarios greatly influence GNA forecasts and any determination of “additionality”, but also reflects the critical influence of rates, tariffs, and other compensation or incentive programs on GNA forecasts and planned investments. Clear understanding of these interactions is essential for determining the probability of risk and benefits associated with deferral and contingency options.

Review of prior DER solicitation experience is valuable in identifying both effective approaches to DER procurement and barriers to success and optimization of procurement. This is particularly true for understanding the cost-effectiveness of technical and operational factors defined and offered in the procurement process. These factors can determine the ability of new and existing distributed resources to either offer additional value to the procuring agency or to recover costs through other sources so as to allow resources to optimize their use and reduce cost per unit of service provided.

In addition to the RFO and auction processes noted in the Ruling, standard offer procurement processes also offer important examples and applicable lessons. These include Commission approved programs such as the Renewable Market Adjusting Tariff (ReMAT) and the IOU PV procurements initiated under AB 1969, as well as localized feed-in tariffs successfully operated by the Sacramento Municipal Utilities District and the Los Angeles Department of Water and Power, among others.

Prior procurement experience is also essential to inform the Integrated Distributed Energy Resources (IDER) Rulemaking (R.) 14-10-003 as it completes development of the Competitive Solicitation Framework, the Technology Neutral Pro Forma Contract and the DRP Track 1 policy planning use case applications of the Grid Needs Assessment (GNA), Locational Net Benefits Assessment (LNBA) and Integration Capacity Assessment (ICA).

Additionally, the February 12, 2018 Amended Scoping Memo in R.14-10-003 requires that proceeding to 1) design alternative sourcing mechanisms or approaches that satisfy distribution planning objectives; and 2) to consider how existing programs, incentives, and tariffs

can be coordinated to maximize the locational benefits and minimize the costs of distributed energy resources. While a more comprehensive evaluation of these procurement processes is expected to occur in the IDER proceeding, initial conclusions from the results of prior procurement experience need not be ignored or delayed where applicable to the evaluation of potentially deferrable grid investments and effective procurement of these alternatives. Early initial review within the context of DPAG will significantly inform the work recently scoped and currently being planned in the IDER proceeding.

### **Additional Meetings and Topics**

The subjects to be discussed in an extension of DPAG meetings are common across the three IOUs, and as such it would be likely be more efficient to address these issues in a Joint IOU DPAG context rather than individually for each IOU. Joint IOU DPAG meetings will reduce the total number of meetings by 2/3rds, greatly reducing the burden on participants. Likewise, to the extent that there are differences in the approaches and prior experience between IOUs, there is a clear value to sharing and contrasting the lessons learned across utility participants. The very limited experience of each utility to date in this emerging sector further argues for bring the examples together and drawing from this expanded sample size and perspective.

A single additional meeting will be sufficient for IOUs to present information, and may well be sufficient to receive feedback from DPAG participants. However, it should be recognized that issues may be identified at this meeting which will result in DPAG members requesting additional information or modified proposals from one or more IOUs. As such, at least one follow up meeting should be planned, and the DPAG members can determine whether this is needed and sufficient.

## **V. CONCLUSION**

The Clean Coalition appreciates the opportunity to submit these comments in response to the Ruling. It would be beneficial to extend the DPAG review period for the first DIDF cycle, in order to consider the issues described by the ALJ and as above. Widespread successful streamlined procurement and deployment of DER mitigations would result in substantial

ratepayer savings and environmental benefits, and the opportunity to learn from and apply experience in this emerging resource sector should not be missed.

Respectfully submitted,



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Kenneth Sahm White  
Director, Economic & Policy Analysis  
Clean Coalition

Dated: Sept 11, 2018

## VERIFICATION

I, Kenneth Sahm White am the representative for the Clean Coalition for this proceeding. I am authorized to make this verification on the organization's behalf. The statements in the foregoing document are true of my own knowledge, except for those matters that are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.  
Executed on September 11, 2018, at Santa Cruz, California



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