

**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
(NOT CONSOLIDATED)	
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

**CLEAN COALITION COMMENTS ON PROPOSED SCOPE AND SCHEDULE FOR
CONTINUED LONG TERM REFINEMENT OF THE INTEGRATION CAPACITY ANALYSIS
AND LOCATIONAL NET BENEFITS ANALYSIS, DRP TRACK 1**

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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 on Assigned Commissioner’s Ruling *Proposing Scope And Scheduled For Continued Long Term Refinement Discussions Pertaining To The Integration Capacity Analysis And Locational Net Benefits Analysis In Track One Of The Distribution Resources Plan Proceedings* (“ACR”), dated April 19, 2017.

The Clean Coalition generally supports the proposed scope and schedule but respectfully urges the Commission to additionally consider prioritizing Locational

Net Benefits Assessment (LNBA) use cases, adopting base values for transmission and other categories not already established within the DERAC model, and taking steps as necessary to address more comprehensive alternatives to the existing Avoided Cost Methodology in coordination with the Integrated Distributed Energy Resources (IDER) proceeding.

II. 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. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”)—such as local renewables, advanced inverters, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions. The Clean Coalition also collaborates with utilities and municipalities to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

III. COMMENTS

The Clean Coalition has been an active and consistent participant in both the ICA and LNBA working groups and an original advocate for distribution resource planning and processes. We commend the diligent efforts of working group members in addressing a large number of issues and reaching consensus to the extent possible within the adjusted timeframe, and duly appreciate the work of Commission staff in reviewing and responding to the reports and recommendations of the working groups. We broadly concur with and support the proposed scope, schedule, and prioritization. In addition, we offer the following specific recommendations, primarily related to the LNBA.

Schedule

The Clean Coalition supports the proposed development of more specific scoping documents to manage the process of the working groups, but also recommends allowing for flexibility in the number, scope and timing of interim and final documents at the discretion of assigned Energy Division staff. While the Clean Coalition strongly supports the goal and emphasis on timely and regular development of working group reports and recommendations, our experience has also demonstrated the value of flexibility in order to reach consensus and deliver actionable recommendations. Even after initial drafting, reports can require significant time for review, modification, and approval by working group participants.

ICA

The Clean Coalition supports the prioritization proposed in the ACR, particularly regarding Group I items 1 and 5, further defining the planning use case, and the incorporating advanced inverter functions to the extent technically practical. We note however that there currently exist limitations on both the ability to fully utilize inverter functionality and to model such functionality. Therefore we recommend planning and designing for incorporation of these capabilities at the earliest opportunity while recognizing that this will to some extent necessarily extend beyond the 2017 schedule.

We recommend specifically addressing the use of application program interface (API) access and options in the context of Item B 'Ways to make ICA information more user-friendly and easily accessible.' This is valuable for the interconnection use case, and especially valuable in a planning use case in which municipalities, CCAs, or other jurisdictions seek to assess the cost effective hosting capacity within or across their districts in association with local GHG and resource development planning.

LNBA

The Clean Coalition strongly supports prioritization proposed in the ACR, specifically including Group I prioritization of improvements in granularity and the incorporation of advanced inverter capabilities, DER working “in concert”, the transmission component of the LNBA, and user functionality of the LNBA tool. However determination that consideration of use cases beyond Demo B is out of scope is problematic, and the proposal that this will be considered in a parallel track outside of the LNBA working group, while not inappropriate, requires clarification and explicitly planned coordination.

Use cases need to be addressed in order to provide guidance to methodological refinement – it is impractical to evaluate refinement options and priority without an understanding of their practical application. Clarification of a use case for interconnection was essential for the ICA working group, and further attention to the planning use cases is appropriately given high priority in the proposed scoping and schedule. Comparable clarification will greatly assist the LNBA working group in developing appropriate functionality of the LNBA tool, including both the nature and content of the results. The LNBA working group has discussed the potential application of LNBA results in planning (distribution and transmission infrastructure, and resource procurement) and for locational value related to tariff development, and the requirements of each use case will define the appropriate methodological requirements for assessing location specific variation in value. As such, guidance regarding the use and application of the LNBA tool is necessary relatively early in the working group’s schedule – belated input from a parallel track will greatly hinder the working group’s efforts.

We wish to clarify also that while the LNBA is inherently focused on location specific valuation, this generally reflects variation from generic system-wide values, and requires such base values as a reference to determine whether the location specific value is higher or lower than typical. As such, it is necessary to adopt a base value from which the working group will seek to achieve the highest practical degree of locational refinement.

Because a base value has not been adopted for transmission, the DERAC foundation for LNBA defaults to a null value, allowing a user defined input. Achieving the goal of introducing more locational granularity to system-level values requires defining a system level value with which to start.

We recommend therefore, in relation to Item 5 and elsewhere as necessary, clearly scoping as a high priority that the working group adopt an appropriate base input value related to transmission such that both total value and locational variability of resource value can be estimated for LNBA functionality and refinement.

In relation to Group III Items A, 8, and 9, addressing methods for evaluating location-specific benefits over a long term horizon, we wish to respond to the assertions found in the explanation of prioritization that “such values are speculative and likely difficult to quantify for practical use in the LNBA”. The Clean Coalition disagrees. Evaluating the statistical likelihood of future needs is not speculative but evidence-based and data driven, and represents essentially an actuarial study.

Although project specific planning does not occur until a specific need reaches a threshold of probability and loss risk, the actual probability of need does not change from 0 to 1 upon reaching that threshold. As such, while we agree that the binary question of whether or not a specific cost will be avoided in the future may be considered speculative, the statistical probability of the need arising is not speculation, and this probability can and should be applied as a factor utilized to adjust the value of projected benefits or extended time periods. Such methodologies are commonly used in risk analysis and are important to incorporate in benefits analysis.

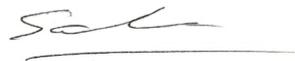
We therefore recommend removing the assertion that “such values are speculative and likely difficult to quantify for practical use in the LNBA”, and consider addressing long term benefits within Group II instead of Group III in order to increase the likelihood of actionable conclusions being incorporated into the methodology.

Lastly, regarding Item C 'Consideration, and if feasible, development of, alternatives to the avoided cost method, such as distribution marginal cost or other methods', the Clean Coalition supports a focus on refinement of the methodological approach used in Demo B as a practical endeavor for the immediate future. However the working group also recognized the inherent limitations of this avoided cost approach and the potential merits of alternatives. As such, while consideration of alternatives may appropriately be considered beyond the scope of working group deliverables in 2017, we recommend that this topic be clearly retained for immediately subsequent LNBA refinement in coordination with IDER cost effectiveness methodology efforts.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit comments on the ACR and supports the Commission's continued efforts in the Distribution Resources Plans proceeding.

Respectfully submitted,



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Dated: May 3, 2017