

**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

**CLEAN COALITION COMMENTS ON ASSIGNED COMMISSIONER'S RULING ON  
TRACK 3 (POLICY) ISSUES**

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**CLEAN COALITION COMMENTS ON ASSIGNED COMMISSIONER’S  
RULING ON TRACK 3 (POLICY) ISSUES**

**I. INTRODUCTION**

Pursuant to the August 9<sup>th</sup>, 2016 *Assigned Commissioner Ruling on Track 3 Issues* (ACR), the Clean Coalition respectfully provides these comments on the proposed consolidation or removal of the policy-related issues previously identified in the Scoping Memo of January 27<sup>th</sup>, 2016.

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.

## II. COMMENTS

### *Consolidation of Track 3 Policy topics into sub-tracks*

As noted in the ACR, the prior Scoping Memo established three separate tracks in this proceeding related to methodology, demonstration projects, and policy. Track 3 identified 22 policy issues on topics such as competitive neutrality, grid modernization, utility business models, coordination with other proceedings and other agencies, forecasting DER adoption, and the relationship of the Distribution Resources Plan (DRP) process with established distribution planning and cost recovery processes.

The Clean Coalition agrees that the various policy-related issues identified in the Scoping Memo should be consolidated for efficiency, and that items 3, 8, 9, 15, 18, 20, 21, and 22 from the list in the Scoping Memo be grouped into the three sub-tracks as proposed in the ACR. However, we do not agree that all remaining issues are adequately addressed in or coordinated with other proceedings, and therefore recommend the following modifications to the sub-tracks, addition of a fourth sub-track addressing data access and analysis, and request further coordination by the Commission to ensure that these issues are appropriately addressed within this proceeding or other proceedings. Particular attention is warranted to close and explicit coordination between the DRP and Integrated Distributed Energy Resources (IDER) proceeding<sup>1</sup>.

The overarching purpose and intent of these proceedings is to optimize the use of new opportunities afforded by DER in achieving ratepayer benefits and meeting relevant State goals. This includes both utilizing DER to avoid excess or less cost-effective investments, and investing in or incenting DER and related infrastructure to achieve these goals where appropriate. Achieving this requires a holistic perspective and coordination to guide developments within these proceedings and ensure that the larger end goals are clearly defined and implemented as they relate to each component.<sup>2</sup> While some policy topics may more properly be addressed in IDER or other proceedings, we ask the

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<sup>1</sup> Rulemaking 14-10-003.

<sup>2</sup> As directed in D.15-09-022, Ordering Paragraph 2.

Commission to clearly and explicitly ensure that these topics, which were originally scoped within DRP, will not be lost in the process of refining the Track 3 scope in this proceeding. Likewise, the broader topic of evolving sourcing mechanisms and business models for both utilities and other DER owners will necessarily inform questions to be addressed within the DRP proceeding, including the type of information and analysis established therein. Track 3 should be explicitly linked to the IDER proceeding and remain open to modification to address needs identified in that closely related proceeding.

We recommend establishing a fourth sub-track to address any collection, access, and distribution-related technical or economic data specific to DER facilities. Standards and practices related to this information will be essential in evaluation DER potential and implementing distribution planning associated with DER for the DRPs to be effective, and planning for such information use will be equally essential in development of optimal sourcing methods established through the IDER proceeding.

*Topics 10, 11 & 19: Maximizing ratepayer benefits of DER, value to customers, and optimized portfolios.*

While IDER is addressing the methodologies for assessing cost-effectiveness of DER, it is beyond the scope of that proceeding to address the physical, planning, dispatch, or communication aspects necessary to realize the multiple values that DER facilities can provide as the foundation for compensation. Where DER is deployed, a critical role of distribution planning is to optimize the use of that DER and avoid “leaving value on the table.” This will require DRPs to go beyond the limited initial focus on avoided distribution system upgrades being developed in Track 1 and include consideration of how IDER compensation strategies will influence customer value and forecast these impacts in turn on distribution planning. Value is dependent upon whether utilities are both able and planning to utilize and compensate customers for the full range of functionality available from devices, including those owned by customers or third parties. For this to be effective, DRPs must explicitly both inform and reflect IDER compensation programs, including how to access and incentivize all the services and functionality available from DER, including those which are customer-owned or for

which contracts do not capture all the capacity and functions. These issues may be incorporated into the recommended addition of a fourth sub-track related to data.

*Topic 2: Competitive neutrality, grid neutrality, and third-party ownership of DERs.*

This topic will remain relevant to consider as compensation, competitive solicitation, and developments in both utility and third party business models and customer value proceed in IDER. While we support the transfer of topics directly addressing DER-related business models, utility roles, and financial interests to the IDER proceeding, we recommend that this topic be retained in DRP for further consideration while the proposed consolidated sub-tracks are pursued. This topic will be informed by both the IDER and the proposed additional fourth DRP Policy sub-track related to data, as well as the resulting analysis so such data.

Data on system conditions, needs, and constraints in specific locations of the utilities' distributions systems will heavily influence competitive processes and the ability of third parties to identify additional opportunities for optimization and ratepayer savings, in addition to identifying appropriate investments to support DER deployment regardless of ownership. As noted by parties in IDER, the existing regulatory structure creates utility disincentives to providing data that can facilitate DER optimization where this may reduce utility capital investment opportunities.

*Topic 4: Control over Dispatch of DER*

While contractual obligations regarding control and dispatch are appropriately addressed in the IDER proceeding, the functional need for utility control, the value to grid operations of increased granularity of control, and both the costs and value of grid investments to support various control options and scenarios is appropriate for the DRP proceeding. DRP Track 2 demonstration projects are directly involved in examining and evaluating these options. The Clean Coalition joins other parties in recommending that this topic be retained within DRP and incorporated with topics 3 and 15 into the proposed consolidated second sub-track focusing on Grid Modernization Investments.

*Topic 7: Coordination with other agencies on climate policy.*

While we do not see a need for this topic to be addressed in detail within this proceeding, DRPs should be directed to both explicitly reflect climate policy and other planning goals of the California Energy Commission, CAISO, and the Air Resources Board, including the Transmission Planning Process and Load Forecasts. Likewise, in doing so, the plans and forecasts developed in DRP will beneficially inform the work of these agencies if the DRP information is presented in a manner consistent with the planning processes of these agencies.

**III. CONCLUSION**

The Clean Coalition appreciates the opportunity to submit these comments and respectfully request that the Commission incorporate and implement these recommendations to the fullest extent possible for the reasons stated above.

Respectfully submitted,

-/S/-

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