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 THE PROPOSED DECISION ON TRACK 1 DEMONSTRATION PROJECTS A (INTEGRATION CAPACITY ANALYSIS) AND B (LOCATIONAL NET BENEFITS ANALYSIS)

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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 proposed *Decision on Track 1 Demonstration Projects A (Integration Capacity Analysis) and B (Locational Net Benefits Analysis)* ("PD"), dated August 25, 2017.

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 which seek to utilize the ICA and LNBA results. We commend the diligent efforts of working group members in addressing a large number of issues and reaching consensus to the full extent possible within the adjusted timeframe, and we duly appreciate the work of Commission in reviewing and responding to the working group's reports and recommendations. We broadly concur with and strongly support the proposed Decision.

II. SUMMARY

- We support the Proposed Decision.
- We support the 9 month ICA implementation schedule.
- We recommend IOUs publish a list of the circuits known to be subject to changes in ICA values during the period between ICA monthly updates.
- We support the use of LNBA to add locational factors to cost effectiveness tests.
- We agree that the basis for value assessment must not be restricted to planned investments.
- We support integration of ICA and LNBA into a single platform.
- LNBA and other methodologies and proceedings should mutually inform one another, but not be used to prevent either from consideration of all appropriate factors.

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. 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.

IV. COMMENTS

A. Integration Capacity Analysis

1. ICA Implementation Schedule: Agree

We agree that the PD reflects the working groups recommendations well with regard to the ICA and broadly support the conclusions of the PD where full consensus was not reflected in the final report of the Working Group.

Of particular note, we agree that work toward system wide implementation of the ICA has been continuing pending a final Decision from the Commission, and as the PD adopts the Working Groups' recommendations and does not introduce any unexpected or substantial changes in methodology, the proposed timeline establishes reasonable goals. If difficulties arise in achieving the proposed implementation schedule, these may be addressed in consultation with the Commission and Working Group.

2. Frequency of ICA Updates: Agree and recommend modification

The Commission agreed with the Working Group's recommendation that the ICA data displayed in the maps should be updated frequently enough and with

sufficient hourly profiles as to accurately predict a developer's ability to achieve a streamlined interconnection decision.[1] For the initial implementation of ICA for interconnection purposes, the PD orders the IOUs to update ICA results for changed circuits on a monthly basis and notes that the Commission can revisit this update frequency determination once the IOUs and developers have gained sufficient experience utilizing monthly-updated ICA results as part of the Rule 21 interconnection process.[2]

While the Clean Coalition supports updating the ICA results at least once a month, we remain concerned that changes occurring between updates will result in increasingly outdated ICA values that may impact a significant percentage of interconnection applications. This will result either in unreliable values for these applicants, or cost impacts for ratepayers if the applicants' interconnection review and associated cost allocation is based on hosting capacity that is in fact no longer available or that has been over booked.

We therefore recommend addressing the issue for the time being by requiring IOUs to simply publish a more frequently updated list of the circuits known to be subject to changes in ICA values during the period between ICA updates. As changes in circuit configuration and new interconnection applications are logged within IOU records, the impacted circuits or line sections should be immediately identified and posted. While we recommend that the IOUs plan implementation of listing in consultation with the Working Group and Energy Division staff, we suggest at a minimum that the list identify the circuit and the degree of change (e.g. the size in kW of new DER additions to that circuit not yet accounted for in the most recent ICA), however line section or greater granularity would be welcome. Recognizing that the

[1] PD at 28
[2] ibid

ICA methodology is designed to provide somewhat conservative values, and that the addition of a 5 kW residential PV system will not significantly alter an ICA rating of 500 kW or above, at the judgement of the IOU, changes deemed to not have a significant impact need not be reported.

While some information is published, currently the wholesale interconnection queue only identifies the substation, not the circuit, and is not updated on a sufficiently frequent schedule to address this issue. Little or no information is publically available regarding the NEM queue or circuit reconfiguration schedules, although this information is collected by the IOUs, particularly through the efficient and partially automated NEM interconnection application process.

B. Locational Net Benefits Analysis

1. Use of LNBA to add locational factors to cost effectiveness tests: Agree

We agree with and support the PD's conclusion that the Commission has intended the LNBA to link existing programs and cost-effective tariffs to actual conditions across different locations on the distribution system.[3] The ability to assess variation in locational value has clear and direct bearing on numerous policies and programs, including procurement, incentives including future refinements to Net Energy Metering ("NEM"), Integrated Resource Planning, grid modernization investment, and both the transmission and distribution planning processes. We strongly support the Commissions reaffirmation of this essential use case in guiding further development of the LNBA methodology.

2. Basis for value assessment must not be restricted to planned investments: Agree

As the Demo B guidance noted, and the PD reiterates, while costs associated with specific, identified, planned T&D system upgrades are a necessary component to

[3] PD at 39-40

value avoided T&D costs, it is not sufficient to capture the value of the full range of potential benefits that DERs can provide at any location.[4] While the IOUs have argued that DERs only provide locational value to ratepayers and the grid when they defer or avoid traditional capital investments, the Clean Coalition and other members of the working group have argued both that values exist beyond avoided capital investment, and that even within avoided capital investment value, future needs for which mitigation projects have not yet been planned are real, significant, and potentially represent greater value than those relatively urgent needs addressed by the planning process.

We believe the LNBA tool and underlying methodologies are appropriately designed and will ultimately be able to comply with the requirements of the broader applications reiterated and clarified by the PD, once the appropriate inputs and value aggregation capabilities are developed to support evaluation of programs, policies and tariffs. The initial project-focused structure of the LNBA tool was a valid and useful starting point. The tool is already capable of combining both DER installations and grid investment projects; however, the process of inputting values for multiple deferral within a defined area is labor intensive, and the process of defining inputs to reflect DER portfolios is external to the tool itself. Further development should focus not only on refinement of the multiple value factors, but also on practical usability for evaluation and optimization of program and policy scenarios. We recommend a clear focus on these matters in the subsequent Decision regarding the long-term refinements currently being undertaken by the LNBA working group.

In line with our prior comments,[5] we strongly support the PD's attention to consideration of probabilities of future need to assess value beyond specifically

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[4] PD at 40-41.

[5] *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*, May 3, 2017. At

identified needs and planned projects, and the requirement to assess the likelihood of future needs in areas where none are currently identified or mitigation projects planned, as well as the probability of planned projects being canceled.[6]

Indeed, the cancelation of planned transmission projects due, in whole or in part, to DER growth is an important factor in establishing the LNBA value of DER. The PD correctly finds that: "Determining grid needs and planned projects absent DER forecasts would properly reflect the value of autonomous DER growth, and would enable DERAC to accurately inform DER tariffs and programs. It is essential that the IOUs analyze the future needs of each DPA based on a demand forecast absent DERs, to properly estimate the avoided T&D values to be used in DERAC."[7] We strongly agree. Likewise, we agree that forecast growth scenarios are appropriate to include for evaluation of integration costs in order to truly assess net benefits.

3. Integration of ICA and LNBA into a single platform: Agree

As noted above, we believe the LNBA tool and underlying methodologies are appropriately designed and will ultimately be able to comply with the requirements of the broader applications reiterated and clarified by the PD, once the appropriate inputs and value aggregation capabilities are developed to support evaluation of programs, policies and tariffs. The tool is already capable of combining both DER installations and grid investment projects, however the process of inputting values for multiple deferral within a defined area is labor intensive, and the process of defining inputs to reflect DER portfolios is external to the tool itself. Further development should focus not only on refinement of the multiple value factors, but also on practical usability for evaluation and optimization of program and policy scenarios.

5.

[6] PD at 44.

[7] PD at 45.

The PD's order[8] to develop a single interface by expanding upon a central distribution system circuit model and data access platform developed for use across ICA and LNBA is highly appropriate for this purpose and provides essential guidance for the IOUs and working groups. This will provide the IOUs, the Commission and other users with a pre-populated database of distribution infrastructure to which cost and benefit information can be flexibly assigned and aggregated across different system granularities.

4. Coordination with IDER Competitive Solicitation Framework

The PD declined to adopt the non-consensus recommendation included in the LNBA Working Group Final Report that T&D values to be included in future modifications of the LNBA tool should only reflect grid services adopted by the IDER CSF Working Group.

We agree, and appreciate the Commission's continued focus on inclusive valuation. While the LNBA and both the IDER Competitive Solicitation Framework and Cost Effectiveness methodologies should certainly inform one another, it is not the role of either to define the limits of the other – rather each should evaluate values identified in other proceedings with a presumption of comprehensive of inclusion value categories unless affirmatively determined otherwise. The LNBA tool is designed, and should continue to be designed, to provide valuation of all identified categories to the fullest extent practical, and from this any appropriate subset of values may be used to inform the work of the Commission on a variety of issues.

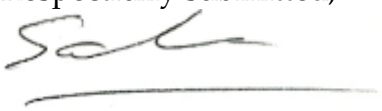
V. CONCLUSION

The Clean Coalition appreciates the opportunity to submit comments on the proposed Decision on Track 1 Demonstration Projects A and B and implementation of

[8] PD at 46.

the ICA and LNBA methodologies. We support the Commission's continued efforts in the Distribution Resources Plans proceeding to realize the benefits of DER for ratepayers at large, individual customers, and communities.

Respectfully submitted,



Kenneth Sahm White
Director, Economic & Policy Analysis
Clean Coalition

Dated: Sept 14, 2017

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 14, 2017, at Santa Cruz, California

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