

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

Order Instituting Rulemaking to Establish  
Policies, Processes, and Rules to Ensure  
Reliable Electric Service in California in the  
Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003

**CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION DIRECTING  
PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON  
COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY TO SEEK  
CONTRACTS FOR ADDITIONAL POWER CAPACITY FOR SUMMER 2021  
RELIABILITY**

/s/ BEN SCHWARTZ

Ben Schwartz  
Policy Manager  
Clean Coalition  
1800 Garden Street  
Santa Barbara, CA 93101  
Phone: 626-232-7573  
[ben@clean-coalition.org](mailto:ben@clean-coalition.org)

February 2, 2021

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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 reply comments in response to the Proposed Decision (“PD”) Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company to Seek Contracts for Additional Power Capacity for Summer 2021 Reliability, issued at the Commission on January 8, 2021. We firmly believe that this PD should not be used as an excuse to promote new fossil fuel generation, especially when the expenditures will fall upon the shoulders of the ratepayers. Pumping money into efficiency measures for gas generation plants that have reached their retirement age or will be phased out over the next five years (or less) is akin to spending money to fix a kerosene stove rather than purchasing an electric stove despite it clearly being the better long-term investment. As parties were keen to point out, any investment in aging gas generation is only wasting money on a stranded asset: a sentiment which the Clean Coalition strongly aligns with. In opening comments, we remarked that cleaner alternatives are available (e.g. energy storage) and must be preferred. The problems that the Commission must address in the present should not be solved with technologies of the past — technologies that only drag us backwards. Rather, solutions to any problem related to the electrical system can and should be solved in a way that helps move California towards decarbonization goals.

The Sierra Club and CEJA point out in their comments, “analyses by CAISO’s Department of Monitoring and Marking describe how the August outages were caused primarily by a

“software error” that resulted in almost 3,000 MW of exports not being available.”<sup>4</sup>

Therefore, the key to guaranteeing that the electrical system can withstand extreme weather events in 2021 and beyond is to ensure that sound technology is in place. Only then should there be a demand for contracting excess generation and it certainly should not be for any fossil fuel resources.

## **II. DESCRIPTION OF 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, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER. We also work with utilities to develop community microgrid projects that demonstrate that local renewables can provide at least 25% of the total electric energy consumed within the distribution grid, while maintaining or improving grid reliability.

## **III. COMMENTS**


### **a. The PD should be used as an opportunity to prepare more in-depth solutions for summers beyond 2021.**

The Clean Coalition agrees with LS Power that this decision should be more forward thinking to promote solutions that can be deployed to ensure reliability for the 2022 and 2023 as the grid evolves. For example, the use of preferred resources including PV and other DER that will not only increase the reliability of the grid, but can also reduce transmission congestion, which was one of the key problems of the 2020 outages. For this purpose, we view Community Microgrids as a cost-effective solution that brings greater net benefits to the local distribution grid and the entire electrical system. A Community Microgrid has the capability to island a segment of the distribution grid, creating a layer of resilience and allowing the transmission system to focus on

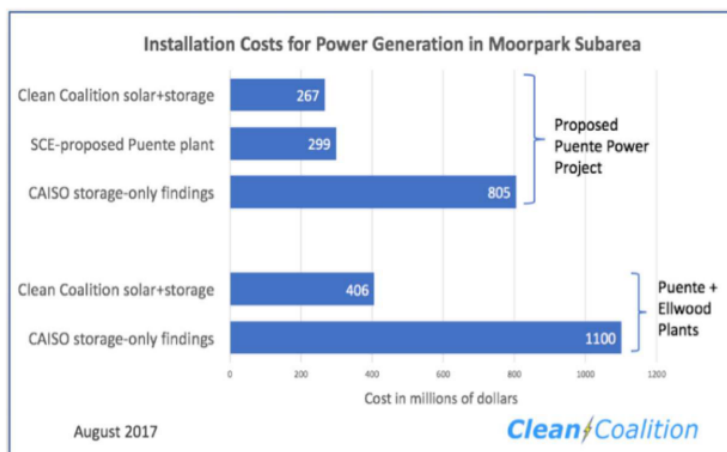
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<sup>4</sup> CEJA and Sierra Club Opening Comments on PD at 7

diverting power elsewhere. In addition to providing grid services and resilience, beginning to deploy a Community Microgrid complies with existing Commission decisions. As CEJA and Sierra Club write in their comments, “the Commission required in D.19-04-040 that any LSE proposing new natural gas plants make additional showings that lower-emitting or zero-emitting resources could not meet the identified resource need.”<sup>5</sup> Clean Coalition analysis of the Elwood and Puente Peaker Plants has demonstrated that deploying a Community Microgrid is more cost effective than new gas generation.

**Community Microgrids cheaper than gas peakers** 

- Leveraging our technical and economic expertise, the Clean Coalition conducted an analysis to determine the viability of solar+storage as a better alternative



*Clean Coalition Cost Analysis of the Puente Peaker Plant vs. a Community Microgrid*

Though it is not possible to deploy a Community Microgrid before the start of summer 2021, which is only four months away, adding component resources like energy storage in the short term is taking the first step.

**b. Union of Concerned Scientists (UCS)**

The Clean Coalition supports comments by UCS and other parties that energy storage is the preferred resources — according to the Commission’s Loading Order — which should be reflected in the PD. Over the past two years, the sheer amount of energy storage the state needs has become evident and RFO’s for all types of storage have become commonplace (e.g. the RFO released by CCAs in 2020 for long-term storage). Thus, energy storage procured for reliability

<sup>5</sup> CEJA and Sierra Club Opening Comments on the PD at 4-5

would offer a dual benefit for the other 75% of the year when extreme weather events are not a concern, providing services that polluting gas plants cannot offer. The most proactive solution is to prioritize energy storage and the PD should reflect that reality.

**c. SDG&E’s comments about summer-only resources appears to be a shift towards temporary fossil fuel generation.**

While we are intrigued about the potential of summer only resources, based on past experience with instances where temporary generation has been deployed as a short-term solution, the Clean Coalition worries that the procurement of 3.3 GW of generation will be achieved via diesel and other fossil fuel generation. This tactic has and will continue be used for the next few years in the microgrid proceeding for substation level backup power. It is not an appropriate solution in either proceeding because there are cleaner and more effective long-term solutions. We agree with CEJA and Sierra Club that no new fossil fuel resources procured as a result of this decision and the PD should be amended to reflect that statement. They remark, “expanding fossil fuel resources is inconsistent with these mandates and is likely to lead to stranded assets as California decarbonizes. Further, the Commission has a duty to ensure its decisions are just and reasonable, and allowing the procurement of additional fossil-fueled capacity is not “just and reasonable” in light of SB 100 and the state’s focus on retiring fossil fuel facilities to meet greenhouse case reduction mandates and policies.”<sup>6</sup> There must be some proof that allowing summer only resources could mean anything besides fossil fuel resources before the Commission includes it in a PD.

**IV. CONCLUSION**

For the reasons stated above, the Clean Coalition respectfully submits these reply comments on the Proposed Decision.

Respectfully submitted,

/s/ BEN SCHWARTZ

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Policy Manager

Clean Coalition

1800 Garden Street

Santa Barbara, CA 93101

Phone: 626-232-7573

[ben@clean-coalition.org](mailto:ben@clean-coalition.org)

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<sup>6</sup> Ibid at 4

Dated: February 2, 2021