

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

Order Instituting Rulemaking to Create a
Consistent Regulatory Framework for the
Guidance, Planning, and Evaluation of
Integrated Distributed Energy Resources

Rulemaking 14-10-003

**CLEAN COALITION REPLY COMMENTS ON IDER PARTNERSHIP AND
STANDARD OFFER CONTRACT PILOTS EVALUATION CRITERIA**

/s/ BEN SCHWARTZ
Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

April 14, 2021

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

Order Instituting Rulemaking to Create a
Consistent Regulatory Framework for the
Guidance, Planning, and Evaluation of
Integrated Distributed Energy Resources

Rulemaking 14-10-003

**CLEAN COALITION REPLY COMMENTS ON IDER PARTNERSHIP AND
STANDARD OFFER CONTRACT PILOTS EVALUATION CRITERIA**

I. INTRODUCTION

The Clean Coalition appreciates the opportunity to comment on performance metrics and evaluation criteria that will determine the success of the two pilot programs. Generally, we support the metrics suggested by Cal Advocates and the Joint IOUs and appreciate the detail they put into opening comments. In reply comments, we caution that the pilots should not be ended without proper time to ascertain all system benefits and consideration of additional requirements that could increase cost-effectiveness of the pilots.

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.

III. COMMENTS

a. The pilots should continue if any path to long-term success exists.

The two DER Deferral Pilots were crafted to more effectively utilize DER and other non-wires alternatives (“NWA”) to meet short-term distribution upgrade needs, enhancing the DIDF

by filling a hole that currently exists in the process. The pilots will attempt to capitalize on the nature of DER as low-cost projects that can be deployed quickly to address the need for upgrades when it arises rather than developing solutions for issues three-five years in the future. This new approach to meeting the need for distribution upgrades must be given due time to bear fruits before a final judgement is made. As a result, the Clean Coalition agrees with the sentiment of Cal Advocates' statement that, "as long as there is at least a theoretical pathway to long term cost-effective success then the programs should continue with modifications as needed."¹ The annual review process creates a built-in opportunity to modify the two pilot programs in order to maximize ratepayer efficiency before the five-year period ends. However, it is reasonable to estimate that the Pilot Partnership will likely not be as successful during one year in as it will be in the following four years (or in the case of the SOC Pilot, as successful in year one as it will be by year three). Outreach and successful deferral projects will grow the number of parties that complete the pre-screening process and bid for subsequent deferral opportunities. As mentioned in our opening comments, any procedure to modify the pilots, therefore, needs to strike a careful balance as to not prematurely amend the structure with a sole focus on cost-effectiveness before enough data is gathered to reasonably determine the full benefits of the pilots.

b. All evaluations of the pilots should consider the value of Distributed Energy Resource Management Systems ("DERMS").

Cal Advocates raises an important point about the value of DERMS. In D. 21-02-006, the Commission approved the two pilot programs, but maintained that a DERMS is not necessary for the pilots to succeed. Since both pilots only allow DER on one side of the meter, the Commission's choice that DERMS is not a requirement is understandable. However, it is difficult to dispute that the ideal way to optimize aggregations of DER involves DERMS, particularly with any combination that includes DER on both sides of the meter. Since the SOC Pilot only lasts three years compared with the five-year timeline of the Pilot Partnership, there is ample time to analyze the potential benefits of meeting deferral needs with aggregations of FOM and BTM resources together, as was mentioned in the Clean Coalition's informal opening comments. It logically follows that understanding the consequences of administering the two pilots without DERMS is essential for both the judgement of the two pilots and the creation of a

¹ Cal Advocates Opening Comments at 1

sustainable DER Deferral program. As all parties that submitted comments concur, cost-effectiveness must be one of the primary metrics used to determine the merit of the pilots. Therefore, nothing should be ruled out when it comes to crafting a program that is most beneficial to the ratepayers, including the value of DERMS. Consider the hypothetical situation where one or both pilots are not cost-effective after the first couple cycles and/or aggregations do not meet the necessary needs in an IOU service territory. Before any significant program adjustments are approved, any completed evaluation should factor in how DERMS might DERMS might have changed the outcome.

IV. CONCLUSION

The Clean Coalition respectfully submits these reply comments.

/s/ BEN SCHWARTZ
Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

April 14, 2021