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

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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 (“NWAs”) 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.” 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

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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 have changed the outcome.

IV. CONCLUSION

The Clean Coalition respectfully submits these reply comments.

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