



[The Buzz](#)

The California grid operator extends the [call for conservation](#) from Thursday to Friday evening. Initially, high heat across the West was expected to be the main threat to reliability on June 17 but then 1,100 MW of in-state generation crashes. About the same time, an unscheduled 600 MW of gas plants comes to the California Independent System Operator's rescue. That doesn't stop Gov. Newsom from waiving emission limits for gas plants and diesel back up.

The controversial [Klamath River dams](#) are closer to the wrecking ball with federal energy regulators' approval of California and Oregon officials replacing PacifiCorp as co-licensee with the non-profit tasked with the demolition.

The Federal Energy Regulatory Commission this week also reiterates its court-required authority to consider [gas projects impacts on the climate](#). It also creates a federal-state task force to identify and tackle siting issues for transmission projects needed to support clean energy targets.

At its annual legislative review, the [California Public Utilities Commission](#) gets slammed for not following legislative mandates. CPUC President Marybel Batjer profusely apologizes but the head of the Assembly energy committee says the problem goes way beyond her, calling it a systemic problem.

Earlier, the CPUC proposes creating a [state monitor to see if PG&E](#) is following safety laws and rules, replacing the federal monitor who has been on the job for five years.

A CPUC regulatory judge's proposed decision would reduce the cost of [non-utility microgrids](#) by suspending a key charge imposed by utilities.

A new [Lawrence Berkeley National Lab](#) finds that pairing solar and battery projects is a great fit for California. It's surging solar resources and open land lead to a large number of matching projects. But it is not a good fit for other places outside the west, where land is limited, and congested transmission points require batteries to be placed closer to load.

And more...

—The Editors

Proposal Would Make Clean Microgrids More Affordable

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The costs of small and large non-fossil microgrids would drop under a proposed California Public Utilities Commission decision released last week. It would lower a key part of the standby charge paid by system owners to investor-owned utilities. These charges are typically levied by IOUs to avoid shifting costs onto regular grid-connected customers. But the CPUC hopes to see as many new microgrids deployed as possible as climate change bears down on the state, increasing wildfires and power shutoffs, which appears to be overriding cost shifting concerns.

CPUC Administrative Law Judge Colin Rizzo would specifically suspend for five years what is called the “capacity reservation component,” a monthly kilowatt charge utilities slap on microgrid owners for capacity the IOU keeps on reserve in the event the non-utility backup fails to perform.



This capacity reservation fee makes up the biggest chunk of utility demand charges paid by microgrid owners—individual and community.

“Waiving it will definitely make microgrids more affordable,” Ben Schwartz, Clean Coalition policy manager, told *Current*. The Clean Coalition is a non-profit based in Santa Barbara said to represent ratepayer interests.

Schwartz added that utility standby charges are one of the factors microgrid developers weigh when assessing the economic feasibility of a project. The charge varies by utility and is based on the size of the microgrid.

Standby charges are imposed on customers who generate some of their own electricity onsite to cover the utilities’ investments to supplement or substitute the onsite generation as needed. These demand charges also apply to customers whose electricity supplies come from non-utilities, acting as insurance if the generation source fails.

The standby charge is premised on the costs and expenses utilities incur, including “procurement, resource adequacy, transmission, and distribution capacity to quickly provide such service,” Rizzo stated. At the same time, microgrids can provide grid benefits, including providing power during fires and other outages.

Eliminating the reservation capacity portion of standby charges would recognize “the inherent value of resiliency that microgrids provide, notably when an investor-owned utility is not providing a service when called upon or certain performance standards are not being met,” stated Jennifer Duffourg, spokesperson for Bloom Energy, a microgrid developer.

Suspension of charge applies to clean microgrids

The waiver of the reserve charge component would apply to clean microgrids that keep within California Air Resources Board emission limits. To qualify, the systems also must be able to supply at least 85% of the microgrid name plate capacity.

Rizzo wrote that it is “reasonable to suspend the capacity reservation component of the standby charge for specific CARB eligible microgrid distributed technologies” if they demonstrate high availability and high reliability.

If a microgrid does not supply power as expected, the owner would be required to pay back the utility for the missing supply the latter provided.

The proposed reservation capacity waiver excludes diesel or natural gas-powered backup systems, except if they’re needed to protect public health and safety.

Rizzo’s proposal is part of the ongoing CPUC proceeding to commercialize clean non-utility microgrids by removing installation barriers.