

**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 PROPOSED DECISION ON ORDER
CLOSING RULEMAKING 14-10-003**

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July 26, 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 opening comments in response to the Proposed Decision (“PD”) on Order Closing Rulemaking 14-10-003, issued at the Commission on June 30, 2021. The Commission’s recent approval of a new proceeding to Modernize the Electric Grid for a High Distributed Energy Resources Future is an exciting step toward streamlining DER planning. To ensure the most accurate foundation is in place to set the new Rulemaking up for success, it is important that the record of this proceeding is accurately reflected properly, including a list of topics that still need to be fully considered. While the Clean Coalition did not submit opening comments on the PD, the comments of 350 Bay Area — the only party to file opening comments — raise important points that merit discussion.

- We agree with 350 Bay Area, particularly about necessary details that should be added to the PD to accurately portray the history of the proceeding before it is approved by the Commission.
- The PD should be amended to include verbal remarks made by the Commission about the need to clarify the update process for the Avoided Cost Calculator (“ACC”).

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 PD should better codify the successes of the proceeding and what needs to be improved after it is closed.**

To arm the Commission with the tools it needs to guarantee that the new Rulemaking, R. 21-06-017, will succeed, the Clean Coalition agrees with 350 Bay Areas that it is important that the PD is transparent about the slow pace of progress in addition to the specific accomplishments of the proceeding. As an example of slow movement forward, the Partnership Pilot, which is still in the initial phases of implementation, is the first codified program to guarantee that infrastructure needs can be met by behind-the-meter (“BTM”) deployments, even though BTM projects have been included as deferral options for years. Only now can the need for infrastructure improvements be met by DER aggregations within three years, as opposed to upgrades needed as far down the line as 3-5 year away. Despite this important step forward, the PD should signal that there is still work to be done on integrating aggregations that combine BTM and front-of-meter (“FOM”) solutions for the purpose of DER deferral. The PD should be extremely clear about the achievement of evaluating the new Societal Cost Test in the 2020 IRP proceeding, especially since it will be used as one of the tests to determine the benefits of future DER programs.

- b. **The PD does not currently include existing questions about the update process for the ACC.**

As part of the process for approving Resolution E-5150, the 2021 minor update to the ACC, one of the biggest causes of controversy was exactly what should be considered a “minor update”. Parties argued that the modeling shifts and tweaked inputs constituted a major update, in part due to the substantial reduction in avoided costs caused by the changed inputs. Of these amendments, the greatest reduction in value was caused by the shift to the GHG adder. When the

Commission discussed voting on the Resolution, multiple Commissioners noted that the delineations between what constitutes a major update and a minor update to the ACC needed to be clarified to ensure that no future update is bogged down by procedural issues. This directive is not currently reflected in the PD; it should be added to ensure a seamless transition once the ACC is litigated in the new Rulemaking, following the closure of this proceeding.

IV. CONCLUSION

The Clean Coalition respectfully submits these reply comments on the PD. We urge the Commission to approve the PD with the changes suggested by 350 Bay Area as well as the amendments listed herein related to the ACC and DER Deferral Pilots.

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