

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

Order Instituting Rulemaking to Revisit Net
Energy Metering Tariffs Pursuant to Decision
D.16-01-044, and to Address Other Issues
Related to Net Energy Metering

Rulemaking 20-08-020
(Filed August 27, 2020)

**CLEAN COALITION REPLY COMMENTS ON STAFF PROPOSAL TO IMPLEMENT
NET ENERGY METERING FUEL CELL GREENHOUSE GAS EMISSIONS**

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May 17, 2021

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I. INTRODUCTION

Pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities the Clean Coalition respectfully submits these reply comments in response to the E-Mail Ruling Directing Comments on Staff Proposal to Implement Net Energy Metering Fuel Cell Greenhouse Gas Emissions. It is quite clear to the Clean Coalition from the language in AB 1637 that Net Energy Metering “NEM” is focused on clean energy technologies that bring California closer to achieving climate goals rather than further away. The bill states that “technology the PUC has determined will achieve certain reductions in emissions of greenhouse gases,” is eligible for NEM. That determination is not a blanket allowance, particularly if there might be concerns about the variable performance of a technology. Therefore, without embarking on a detailed discussion of the viability of fuel cells or the fuel a fuel cell might use, not all fuel cells the performance of a fuel cell is fundamentally different from other NEM-eligible technologies. All resources performance differently than advertised over the course of a year, but fuel cells have the greatest downside due to potential pollution concerns. It is reasonable that the NEM-FC tariff leads to sustainable growth, so long as the resources being compensated are confirmed to be reducing greenhouse gas emissions rather than increasing them. The Clean Coalition agrees with the following points:

1. There needs to be some sort of verification system to ensure that no leaks are occurring, particularly methane leaks.
2. An independent inspector appears to be the best method of ensuring efficient verification takes place.

3. We also agree with PCF that the Commission should request new acceptable GHG-emission levels for fuel cells.

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

1. A system verification must be conducted to ensure no methane leaks are occurring.

It is much more difficult to verify the compliance of fuel cells compared with other NEM technologies. All technologies should be held to the same standard when it comes to greenhouse gas emissions; it is logical that the greatest risk also requires the greatest transparency and verification. As the Sierra Club eloquently puts it, “Non-participant ratepayers should not be subsidizing behind-the-meter resources that exacerbate the climate crisis.”¹ The situation where a fuel cell is interconnected and later found to be out of-compliance, leaking methane into the local community, should be avoided. Methane is 100 more effective at trapping heat than carbon dioxide, especially deadly since emissions will have local consequences. Thus, it is essential that compliance testing is done before the interconnection process is completed and export compensation begins.

2. The tariff should require an independent verification process take place.

The biggest opposition that was espoused in opening comments was the suggestion that verification is not necessary because the utilities are not currently configured in a way that would

¹ Sierra Club Opening Comments at 2-3

allow them to effectively verify projects in a timely fashion. PG&E mentions that it has not previously conducted any verifications as part of SGIP.² SDG&E makes similar claims.³ The Clean Coalition believes that the appropriate solution is to require an independent verification process. If the standards are codified by the PUC and the utilities, we support allowing a series of qualified third-party vendors to carry out system tests. There is already precedent for this to occur in the Rule 21 Interconnection proceeding, which has green-lighted the use of third-party developers to make utility upgrades and conduct more in-depth anti-islanding studies.

3. The Clean Coalition agrees with PCF that the Commission should request updated GHG-levels for fuel cells.

It is important that emission standards for fuel cells continue to become more stringent, to ensure that sustainable growth for the technology (as a clean energy technology) is possible before including them as part of the NEM Successor Tariff. Therefore, we agree with PCF and believe that inter-agency coordination with CARB is necessary before all questions about fuel cells are resolved.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments.

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² PG&E Opening Comments at 3

³ SDG&E Opening Comments at 2