

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

Order Instituting Rulemaking Regarding
Microgrids Pursuant to Senate Bill 1339 and
Resiliency Strategies.

Rulemaking 19-09-009

**CLEAN COALITION REPLY COMMENTS IN RESPONSE TO OPENING
COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING ON POTENTIAL
MICROGRID AND RESILIENCY SOLUTIONS FOR COMMISSION RELIABILITY
ACTION TO ADDRESS GOVERNOR NEWSOM'S JULY 30, 2021 PROCLAMATION
OF A STATE OF EMERGENCY**

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I. INTRODUCTION

Pursuant to Rule 6.2 of the CPUC Rules of Practice and Procedure, the Clean Coalition respectfully submits these reply comments in response opening comments on the Administrative Law Judge’s (“ALJ”) Ruling on Potential Microgrid and Resiliency Solutions for Commission Reliability Action to Address Governor Newsom’s July 30, 2021 Proclamation of a State of Emergency. Clean Coalition supports a number of innovative proposals raised by parties in opening comments, including those that build on or existing programs, but requests that the Commission reject any proposal that would expand the use of fossil fuel generation when a longer-term renewable solution is available. A focus on proactive solutions, including interconnection reform, and the proliferation of BTM microgrids is the best way to benefit the grid in the long-term.

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. Fossil fuel programs should be universally rejected by the Commission.

In D. 20-06-017, the Commission described the use of temporary diesel fuel as, “not a long-term resiliency strategy,” in part because the short timeframe before the 2020 wildfire season merited non-standard allowances for the sake of resilience.¹ Despite the apparent hardline stance against the further use of fossil fuel generation, the Commission once again made an allowance in D. 21-10-018, justifying the choice to allow the deployment of fossil fuel generation and other temporary measures for the next two-three years so long as each of the three investor-owned utilities (“IOUs”) crafts a transition plan. In both decisions, the Commission carefully skirted around the provision of SB 1339 ensuring that no customer be compensated for the use of natural gas or diesel fuel by allowing the IOUs to seek cost recovery, irrespective of the lack of innovative planning and failure to consider other cleaner microgrid solutions. All of this is said not as an attempt to relitigate past Decisions, but instead to create the foundation for the current discussion. After two allowances based on “special circumstances”, the Commission would be sending a dangerous price signal to the market by allowing any sort of further fossil fuel procurement. Instead, it is necessary to take a hardline stance against fossil fuel generation, especially solutions that do nothing to further proliferate microgrids. PG&E’s proposal, expanding the Make Ready and Temporary Generation programs, would entail reserving further temporary natural gas (or diesel) generation, requiring contracts each time reliability is a concern.² Offering a short-term solution to a long-term problem, particularly when the solution includes unnecessary pollution, the effects of which are not being accounted for or mitigated, is simply not good enough. It is not innovative and certainly does not take a step toward reducing the barriers inhibiting the widespread deployment of microgrids. Therefore, the Clean Coalition agrees with parties who are against PG&E’s proposal.³ We urge the Commission to approve clean solutions to continue the transition away from fossil fuel generation rather than making it more difficult.

B. Behind-the-meter (“BTM”) aggregations are an essential part of a two-way grid.

The new expedited phase 1 of Track 4 creates a unique opportunity for the

¹ D. 20-06-017 at 81.

² It is clear that reliability will be a concern during the summer throughout the next decade and potentially even beyond that.

³ MRC, Vote Solar & Grid Alternatives, Cal Advocates, and Small Business Utility Advocates

Commission to thoroughly study a solution that has not yet been taken seriously in this proceeding; BTM DER aggregations and BTM microgrid aggregations. Aggregating BTM DER is a necessary first step toward achieving multi-customer microgrids and Community Microgrids. Fortunately, such aggregations are standard processes for solar providers like Tesla, Sunrun, and others. As a result, aggregations can be achieved within a relatively short timeframe, especially if Fast Track interconnection is approved for new participating generators.

C. Rule 18/19 should be relaxed to reduce the demand on the grid during emergency circumstances.

The Clean Coalition agrees with the Port of Long Beach that a simple solution, further relaxing the rules surrounding the sharing of energy between adjacent parcels, can greatly reduce the strain on the grid during emergency situations. Furthermore, it will also greatly increase the value offering of single customer microgrids, aligning the goals of the Emergency Proclamation with those listed in SB 1339. In Track 2, the Commission decided to allow sharing of electricity between adjacent parcels, so long as the parcels were owned by different public agencies and sharing only took place during emergency circumstances. While the initial exemption was approved with a reasonable intention, it became clear that the focus was to limit any unforeseen consequences rather than maximizing the benefits a microgrid is capable of offering. If enough BTM microgrid enrolled in a Demand Response program to island while also meeting the energy requirements of an adjacent parcel, a significant amount of load could be reduced, especially as more microgrids are deployed. However, to make such a program succeed, the Commission would need to implement a Feed-In-Tarff (“FIT”) or other program to incentivize the oversizing of solar and storage. The pitfall of NEM and other Rule 21 programs is that it is not economically viable for a facility to meet its own load and benefit the grid through timely exports. The combination of strategically loosening Rule 18/19 and instituting a statewide FIT would produce a significant public good, to the benefit of the ratepayers and the electrical system.

D. Streamlining interconnection is necessary to quickly increase capacity.

Clean Coalition reiterates support for streamlining interconnection for both BTM and front-of-meter (“FOM”) DER. We support GPI, AMR, MRC, Unison Energy, SCE, and CESA in their comments about Rule 21 and non-Rule 21 Interconnection. The Governor’s Emergency Proclamation should be viewed by the Commission not only as a challenge, but also as an _____

opportunity to execute sorely needed interconnection reform. Proactively implementing long-term solutions is the best way to ensure that the state’s scramble to find solutions for a near-term problem does not become an annual struggle. Temporary short-term reform, albeit a reasonable strategy the Clean Coalition supports, need not preclude the possibility of greater change, including topics that have been waiting in the queue for the last decade. For example, many parties agree that large FOM solutions are unlikely to be deployed before fire season in 2022. Unfortunately, this means that the ability of the Commission to approve solutions is limited, reducing flexibility by cutting the number of market offerings in half. There are many aspects of interconnection reform that should be seen as low-hanging fruit, especially when it comes to automation and reducing uncertainty (of both time and cost) in the FOM interconnection process.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments and advocates that the Commission operates proactively when addressing solutions that can be implemented before next summer. The short-term actions taken over the next eight months have long-term implications, particularly because reliability concerns are going to be an issue for the foreseeable future.

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