

**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 PROPOSED
MICROGRID INCENTIVE PROGRAM IMPLEMENTATION PLAN**

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I. INTRODUCTION

Pursuant to Rule 6.2 of the California Public Utilities Commission (“the Commission”) Rules of Practice and Procedure, the Clean Coalition respectfully submits these reply comments in response to the *Proposed Microgrid Incentive Program Implementation Plan* (“MIP”). In addition to opening comments, we make the following recommendations:

- The Commission should approve the proposal made by the County of Los Angeles to include examples of eligible public agency microgrids.
- There should be one program website for all three IOUs to streamline information for all communities, rather than three separate websites.
- The Commercial Operation Date needs to be extended beyond 24 months or removed entirely.
- A project should receive a higher score for a greater number of customers in disadvantaged vulnerable communities.

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 MIP should include an appendix with examples of eligible public agency microgrids.

In opening comments, the County of Los Angeles raises a point of concern that should be addressed, relating to the eligibility criteria for public agency microgrids.¹ In the last Decision in this proceeding, D. 21-12-004, the Commission encouraged the County of Los Angeles to apply under the MIP for all proposed projects originally proposed as reliability measures.² After doing its own research, the County concluded that the BTM microgrid projects would not qualify under the technical requirements for the MIP. This discrepancy, between the intention of the Commission and the technical requirements of the MIP, should be resolved to ensure that public agencies have the clarity to begin preparing an application. Clean Coalition supports the County's proposal create an appendix with example public agency microgrids. An appendix would be an ideal location to further define critical facilities and non-critical facilities (under the current definition) that would qualify as providing critical services to a local community.

B. There should be one program website for all three IOUs to streamline information for all communities, rather than three separate websites.

Given the complexity of the MIP and the fact that the three IOUs collaborated to produce a Joint Implementation Plan (as specified by the Commission in place of the usual Advice Letter process), Clean Coalition agrees with parties in opening comments suggesting that there should be a single MIP website which includes information for each of the three utilities.³ In addition to the applicant-benefits that come with having one location for application submittals, information and FAQs, a single program website increases the effectiveness of outreach/marketing and allows the Commission to easily track community interest.

C. The Commercial Operations Date needs to be extended beyond 24 months or removed entirely.

One of the biggest points of alignment between almost every single party in opening comments is the need to extend the initial proposed Commercial Operations Date ("COD")

¹ County of Los Angeles Opening Comments on MIP at 1-2

² D. 21-12-004 at 3

³ GPI Opening Comments on MIP at 7 and MEC Opening Comments on MIP at 6-7

requirement. Community Microgrids are complex, even when there are only a few resources of customers tied in. Projects designed for hundreds of customers will require a significant amount of deliberation at each step of the process, especially after the planning phase is completed and interconnection applications begin. While parties agreed about the need to extend the COD, not everyone offered the same solution. RCRC stated that a COD within 24 months is too short, whereas CESA and the County of Los Angeles supported the IOU-proposal to extend the timeline.⁴ Clean Coalition agrees with these parties, as mentioned in our opening comments, but wishes to note a few other party approaches. MRC underscores the importance of prompt interconnection timelines to meeting the COD and suggests expedited interconnection procedures.⁵ Clean Coalition concurs and urges the Commission to require streamlined interconnection (with timelines published in advance of the first application being submitted), irrespective of any decision to extend the project timeline. Finally, we support in principle, GPI's suggestion to remove a COD entirely. In opening comments, they state, "even 24 months after execution of the Operating Agreement is still all but certain to be far too short a timeline. GPI has demonstrated with IOU data in workshops and in written comments that it can often be a year or more from interconnection application to when the GIA is received."⁶ The structure of the MIP would have funds dispersed as the project moves forward past each milestone rather than in one lump sum and requires the constant input/approval of the community the project will be deployed in. As a result, due to the high number of variables that come with the deployment of complex Community Microgrids, removing the COD could reduce pressure on the developer, without reducing any motivation so see the microgrid deployed as quickly as possible.

D. A project should receive a higher score for a greater number of customers in disadvantaged vulnerable communities.

The purpose of the MIP is to incentivize the deployment of Community Microgrids to serve the greatest number of critical facilities and vulnerable/disadvantaged customers in communities across the state. Therefore, it stands to reason that applicants should be awarded a higher score depending on the more customers a project will serve. The current implementation plan does not do this; RCRC and CESA both note that capping the number of points is to the detriment of larger projects.⁷

⁴ RCRC Opening Comments on MIP at 4, CESA Opening Comments on MIP at 3, and County of Los Angeles at 3

⁵ MRC Opening Comments on MIP at 2

⁶ GPI Opening Comments on MIP at 4

⁷ RCRC Opening Comments at 9 and CESA Opening Comments at 5

Removing the cap incentivizes projects to plan ambitiously rather than the current process, which pushes applicants to act in a conservative fashion to craft the idea application.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments and respectfully requests that the Commission approve the Joint Implementation Plan with a few necessary amendments to make the program more deterministic and practically feasible for all applicants. As the only true pathway to a Community Microgrid that exists in the state, the MIP will inform future policy discussion about the commercialization of microgrids. One such change that should be noted is the need for a broader extension of Rule 18/19 exemptions, as communities like the city of Berkeley and the Port of Long Beach have previously demonstrated in comments.

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