

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA



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Order Instituting Rulemaking to Modernize the
Electric Grid for a High Distributed Energy
Resources Future.

Rulemaking 21-06-017
(Filed June 24, 2021)

**CENTER FOR BIOLOGICAL DIVERSITY, GRID ALTERNATIVES,
THE CLIMATE CENTER, 350 BAY AREA, VOTE SOLAR, SIERRA CLUB AND
CLEAN COALITION REPLY COMMENTS
ON DRAFT TRACK 2 OUTREACH PLAN**

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
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Order Instituting Rulemaking to Modernize the
Electric Grid for a High Distributed Energy
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Pursuant to Administrative Law Judge Hymes’ August 12, 2022 Ruling Noticing Electric Grid Education and Outreach Workshop (“Workshop”), the Center for Biological Diversity, GRID Alternatives, The Climate Center, 350 Bay Area, Vote Solar, Sierra Club and The Clean Coalition (“Joint Parties”) provide the following reply comments on the Draft Track 2 Outreach Plan.

I. Introduction

Joint Parties are pleased to see broad agreement across parties on a number of issues regarding meaningful community engagement, including the importance of listening to disadvantaged communities (“DACs”) and other Environmental and Social Justice (“ESJ”) communities, helping those communities understand the ways in which issues before the Commission have potential relevance to community interests and goals, and bringing these interests and goals into the evaluation of alternatives.¹ We provide reply comments organized to

¹ See e.g. Comments of the Green Power Institute on the Draft Outreach Plan (“GPI Opening Comments”) at 1 (“A discussion of the potential benefits of different DSO models should be front and center in community discussions since the outcomes of these models are the tangible impacts that communities and the individuals within them

answer the questions posed in ALJ Hymes' Ruling and in the same format from our Opening Comments. In this reply we emphasize the importance of starting the initial listening sessions as soon as practical, without adding new procedural steps that would delay their start or adding prerequisites on would-be participants beyond simply showing up to the sessions. The listening sessions should be viewed as the initial steps in a more comprehensive community engagement process that aims to sustain community participation throughout this entire proceeding, and as such, the Commission's learnings from the first few listening sessions can inform continuous improvements to the process.

II. What additional steps or actions should be added to the Draft Track 2 Outreach Plan? *The CPUC should develop a Community Engagement Plan that addresses both Tracks 1 and 2 and leverages and coordinates with the CEC's related DER efforts. The proposed September-October listening sessions should inform the creation of a full Community Engagement Plan that will sustain continued community participation throughout the proceeding.*

Joint Parties concur with PG&E that community engagement efforts should inform evaluation of potential DSO models over the course of the proceeding. We also discuss the comments of the Public Advocates Office ("Cal Advocates") regarding the scope of engagement.

PG&E recommends that the Draft Track 2 Outreach Plan be expanded to explicitly outline an evaluation process and how feedback from the listening sessions will be used to develop and refine evaluation criteria against which different potential DSO models will be assessed.² We agree; it is essential to understand differences in how the interests and goals of DACs and other ESJ communities may be advanced or hindered under each DSO option so that these factors may be appropriately considered in evaluation of the alternatives. Crucially, the

identify with. These discussions should also ask communities what they might need and want from a DSO based on current and future DER integration goals, as well as current and future barriers to DER adoption.")

² PG&E Opening Comments on the High DER Grid/Distribution System Operator Education and Outreach Workshop ("Opening Comments") at 2.

Commission should be cognizant of the fact that community interests related to local electric distribution systems extend well beyond increased reliability, flexibility, or faster interconnection. Development of local resources directly impacts direct and indirect local capital investment, employment, and net customer costs of energy, in addition to land use, air quality, and broader environmental concerns (non-energy benefits) as detailed in our Opening Comments. The Commission should consider how feedback from the listening sessions on all affected factors will be used to develop and refine evaluation criteria against which different potential DSO models will be assessed. A comprehensive community engagement plan, coordinated with the CEC and drawing on input gathered in the listening sessions, and as detailed in our Opening Comments, should incorporate PG&E's suggestion.

For the reasons outlined in our Opening Comments, Joint Parties disagree with Cal Advocates' recommendation to present DSO models and discuss associated costs and risks of a DSO in listening sessions. Providing background materials on any DSO models at this stage of the process presents too great a barrier to solicit meaningful community engagement. Instead, listening sessions should focus on the benefits that DERs can offer DAC and other ESJ communities, and how Track 2 could incorporate those community-level needs. In addition, Cal Advocates' concerns about the DSO 101 presentation are misplaced. The DSO 101 presentation was intended to provide introductory concepts for discussion in the upcoming Track 2 workshops beginning in the first quarter of 2023, during which all the ideas presented in DSO 101 and other potential DSO models will be thoroughly discussed. Consideration of whether refinements to the existing DSO model are warranted beyond the status quo are issues for future workshops.

III. Are there Track 2 Outreach Plan areas that need more emphasis/additions? *The Track 2 Outreach Efforts must focus on determining how DERs can meet community needs.*

Joint Parties are pleased with the overall support to design listening sessions to solicit community needs that DERs, and ultimately, a DSO model can meet.³ California has embraced the adoption of DER as an important strategy to meet its commitments to increase renewable and zero-carbon resources and support transportation and building electrification.”⁴ A high DER future similarly meets the dual goals of SB 350: deployment of clean energy resources, specifically DERs, and pollution reduction to the benefit of DAC and other ESJ communities.⁵

We disagree with Cal Advocates’ suggestions to focus the listening sessions on costs of DERs and the historically low rates of adoption of rooftop solar.⁶ This proceeding is forward looking in anticipation of a high DER future. The scope of the proceeding already anticipates a high DER future, and specifically seeks to “capture as much value as possible from DERs as well as *mitigate* any unintended negative impacts.”⁷ In other words, the CPUC’s inquiry goes beyond merely identifying “negative impacts,” but must also investigate options for improvement. Identification of mitigation strategies will occur at later stages of the proceeding,

³ PG&E Opening Comments at 1 (“PG&E believes the listening sessions should be focused on gaining a better understanding of the key needs and wants from the electric distribution system that parties seek and prioritize”); SCE Opening Comments on Administrative Law Judge Ruling (“Opening Comments”) at 4 (“SCE recommends that, as part of the Listening Sessions, the Commission highlight and clarify the likely benefits that will result from the work of Track 2.”)

⁴ CEC, In the Matter of Distributed Energy Resources in California’s Energy Future, Docket No. 22-OII-01, Order Instituting Informational Proceeding (March 9, 2022) at 1, *available at* <https://www.energy.ca.gov/filebrowser/download/4010>

⁵ Cal. Pub. Util. Code § 400(a). (“The [C]ommission . . . shall . . . in furtherance of meeting the state’s clean energy and pollution reduction objectives . . . [t]ake into account the use of distributed generation to the extent that it provides economic and environmental benefits in disadvantaged communities.”)

⁶ The Public Advocates Office Opening Comments on the Track 2 Outreach Plan (“Cal Advocates Opening Comment”) at 5.

⁷ R.21-06-017 Order Instituting Rulemaking at 10 (emphasis added).

but the present need for listening sessions should remain focused on the benefits that DERs can and should provide for DAC and other ESJ communities.

We concur with the Green Power Institute that listening sessions should also identify “current and future barriers to DER adoption.”⁸ This will help formulate mitigation strategies later in the proceeding. Identifying mitigation strategies is important as DERs present solutions to several problems with the status quo. The status quo sees customers and communities faced with wildfire caused de-energization events and pre-emptive Public Safety Power Shutoff events, the impact of which will decrease with adequate deployment of DERs targeted towards resiliency and reducing the need for more costly transmission and distribution upgrades. The status quo also has the State on the verge of a tsunami of disconnections, the rate of which has been increasing steadily since 2010.⁹ Californians with the very lowest income, at or below 50% of the Federal Poverty Level (“FPL”) already face energy burdens in the 15 to 20% range even after the CARE discount, and customers in the 50% to 100% FPL income bracket are confronted with energy burdens at roughly 10%.¹⁰ Under the status quo, these unacceptable energy burdens will merely increase as the impacts of climate change worsen. Meanwhile, DAC and other ESJ communities face “Inequitable Access to the Grid,” where DERs present a viable local affordable energy and climate solution.¹¹ Given the opportunity to coordinate and leverage other state and federal programs to further the State’s climate and equity goals in a Future Grid Study,

⁸ GPI Opening Comments at 2.

⁹ R.18-07-005 Order Instituting Rulemaking, at 3-4 (citing SB 598 regarding rates of disconnection) *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M218/K029/218029788.PDF>

¹⁰ *See* Comments of Sierra Club, the California Environmental Justice Alliance and the Natural Resources Defense Council on the Assigned Commissioner’s Ruling Amending Ruling of May 20, 2022 (August 1, 2022) *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K396/496396466.PDF>

¹¹ Brockway, A.M., Conde, J. & Callaway, D. Inequitable Access to Distributed Energy Resources Due to Grid Infrastructure Limits in California. *Nat Energy* 6, 892–903 (2021) *available at* <https://doi.org/10.1038/s41560-021-00887-6>

it does not make sense to limit our ambition for a high DER future at this planning stage.¹²

“Quite simply, energy access is critical to economic and social stability and well-being.”¹³

In this regard, we agree with party recommendations to ensure that engagement efforts are meaningful where engaged entities can offer adequate participation. For instance, SCE recommends that the Commission, in collaboration with stakeholders, develop a realistic expectation of the level of technical proficiency that will be required to meaningfully participate in each part of the proceeding, and SCE recommends that the Commission also facilitate the stakeholder development of a series of educational sessions that will help stakeholders gain the necessary technical background to meaningfully participate in these [technical workshop] discussions.¹⁴ We concur; engagement efforts must culminate in a “so what” for the community engaged, so that participation can ultimately inform how DERs can meet DAC and other ESJ community needs.

IV. What unique Track 2 issues should be considered for tribal, rural, or disadvantaged communities, and local governments? *A Community Engagement Plan — starting with the initial round of listening sessions — should seek to determine these unique issues.*

No comments at reply.

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¹² See e.g. Grid Resilience Formula Grants to States and Indian Tribes, IJA Section 40101(d), Frequently Asked Questions (September 2022) (the CEC is currently implementing (approximately \$170Million over 5 years that explicitly lists DERs as eligible activities) this program that operates in conjunction with other federal DOE programs and Justice40 requirements) available at <https://netl.doe.gov/sites/default/files/2022-09/IJA%2040101d%20-%20FAQ%20-%20Extension%20of%20Application%20Period%20-%20Sept%20%202022.pdf>

¹³ *Supra* fn. 9.

¹⁴ SCE Opening Comments at 2.

V. What information should the Commission seek from listening session participants? What questions should the Commission pose to participants?

Joint Parties note the broad agreement with the potential questions posed in our Opening Comments centered on identifying community needs in anticipation of a high DER future. We detail the following specific areas of alignment.

PG&E believes the Listening Sessions should be focused on gaining a better understanding of the key needs and wants from the electric distribution system that parties seek and prioritize versus focusing on the technical aspects of distribution planning and operations which may be outside their expertise.¹⁵ We agree. Also, we note alignment with and support PG&E's recommendation that "the CPUC should prompt discussions and seek answers from listening session participants by posing non-technical questions relating to what participants need and seek from the electric distribution system. The listening sessions should provide an open forum for discussion of these participant-identified needs and desires. This will allow for the development of objectives and a robust set of evaluation criteria against which different potential DSO models can be assessed."¹⁶ However, as noted above and in our Opening Comments, the scope of discussion prompts should more broadly encompass the range of ways DERs and various DSO models may advance community goals and interests.

SDG&E recommends a registration interest form being sent out to intended participants to assist with the planning and delivery of the listening sessions to identify the participant, the community, tribe or governmental entity they represent, and the topics they want addressed. "The responses to the form should be used to determine the number of sessions to hold for each

¹⁵ PG&E Opening Comments at 1.

¹⁶ *Id.* at 3.

group and will assist the CPUC in content preparation.”¹⁷ Joint Parties believe this would create an additional procedural step which would place additional burdens on would-be participants and delay the start of listening sessions. Joint Parties support utilizing feedback from representative interests to aid in determining the focus and number of listening sessions, applying learnings from the first sessions to tune and improve the later ones, and early outreach should be encouraged. However, it is clear that dialogue on these matters will and should give rise to greater understanding, and it is unreasonable to assume that the topics, appropriate participants or session format can be fully anticipated in advance. As detailed in our Opening Comments, each listening session should provide an initial exploration of community needs and how DERs can provide community benefits and climate solutions in DAC and ESJ communities and should be expected to inform the Commission about the range of topics, identify as yet unrepresented participants, and inform the number and form of further sessions warranted at this stage.

In this regard, Joint Parties appreciate the intent but do not support SDG&E’s recommendation that “proposed listening session topics should be developed and structured so as to obtain participant input on the specific Track 2 scoping questions that the Future Grid Study is intended to address [with] . . . an opportunity to comment on the proposed topics.”¹⁸ While we agree that it is important to align listening session focus with the study questions, we caution against overly restrictive or premature determination of scope and inserting additional procedural steps that would delay these important exploratory listening sessions. An overly narrow framing may prejudice the content and value of the listening sessions (i.e. limited to specific modifications to existing structure of distribution system operations or the Future Grid Study

¹⁷ Comments of SDGE on the Track 2 Outreach Plan at 1.

¹⁸ *Id.* at 1-2.

report content). The listening sessions themselves should inform the scope of questions to be addressed in workshops leading to the Future Grid Study, potentially inform future updates to the scope of this proceeding, and not be a replacement for a more comprehensive Community Engagement Plan that spans CPUC and CEC DER-related efforts.

SCE states that topics for discussion include “1) required capabilities for the grid, key functions, and roles; 2) new approaches to determine where to construct and upgrade traditional grid infrastructure such as lines and substations; and 3) policy mechanisms to further drive and enable DER growth, in general or for specific technologies or for specific customers groups.” They then state that only topic 1) is within scope of Track 2, whereas topic 2) is within Track 1, and the third topic area is explicitly excluded from this proceeding.¹⁹

In response, Joint Parties emphasize the importance of efficient use of the community participants’ time and expertise. Although Tracks 1 and 2 differ in their specific objectives, the CPUC should design community engagement to bridge the siloes, not to create duplicative demands on parties who have substantial resource constraints on their ability to participate. The issues in Track 2 are not limited to capabilities of the grid itself but also those *in relation to the grid* including all related functions, roles, and implications. Further, while we agree that the scope for discussion excludes the *development* of new policies such as tariff rates and incentives, it is essential to include in the development of the DSO and grid capabilities all the roles and functions needed *to support* any such new rate tariffs or incentives related to utilization of DER. This is particularly the case if a Community Engagement Plan identifies the need for integration of these new policies to meet specific DAC or other ESJ community needs.

¹⁹ SCE Opening Comments at 3-4.

As noted by SCE, the Scoping Memo suggests that the ultimate outcome of Track 2 will be a future model that will “unlock economic opportunities for DERs to provide grid services, limit market power, reduce ratepayer costs, increase equity, support grid resiliency, and meet State policy objectives.”²⁰ These include both functional requirements of systems for physical communication and DER management, and the types of interactions and data management needed for transactions related to DER utilization across various roles and associated actors. It will not be possible to consider these matters without consideration of the types of new policies the Commission may want to consider in future years, and the physical and transactional requirements for implementation of those policies. Flexible Demand Management is just one new proceeding for which this proceeding must consider roles and needs of all entities managing or participating in future policy programs. Listening sessions must therefore be flexible and open to these and other DER related solutions that could meet community needs or provide community benefits.

VI. Conclusion

Finally, given the overall agreement to proceed with listening sessions, Joint Parties again stress the outstanding need for an extensive and coordinated Community Engagement Plan that spans at least Tracks 1 and 2 of the CPUC Proceeding, the CEC DER OIIP and the 2022 IEPR Update, and which Listening Sessions cannot replace. Overall, community engagement efforts are only worthwhile if coupled with adherence to a Guiding Principle, or another form of commitment to plan for a high DER future “from the ground up,” based on a well-informed understanding of the ways DER can both benefit communities and contribute to California’s climate change mitigation goals, as proposed in our Opening Comments. Otherwise, the State

²⁰ *Id.* at 4.

simply risks expending significant resources, their own and those of community participants, for little or no benefit. We no longer need to validate the social and economic distress and vulnerability to disaster in DACs and other ESJ communities.²¹ State-sponsored community engagement must not be passive, and continue to effectively reduce “community engagement” to an informational, advisory or passive consent role. Instead, meaningful engagement efforts, starting with the listening sessions and playing out through a more robust Community Engagement Plan for the duration of the proceeding, must contribute to the actual formulation of strategies to increase the capacity for clean energy production and community-level climate solutions.

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Respectfully submitted,

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²¹ See generally Hernandez, J., Race & Place in Sacramento, Sept 2021, A report for the City of Sacramento to support preparation of the Environmental Justice Element of the Sacramento 2040 General Plan Update, available at https://www.cityofsacramento.org/-/media/Corporate/Files/CDD/Planning/General-Plan/2040-General-Plan/Race_Place_Nov-2021.pdf?la=en

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