



16 February 2023

California Energy
Commission
715 P Street, Sacramento,
CA 9581
Via Electronic Filing

CEC Docket 21-ESR-01: Clean Coalition Comments on Draft Clean Energy Reliability Investment Plan (CERIP) Report

Dear Chair, California Energy Commission Members, and Staff,

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.

We appreciate the opportunity to submit these comments on the CERIP and laud staff for the hard work that it took to put this detailed report together. Overall, the CERIP sends the message that while the state is well on its way to achieving decarbonization goals, a much swifter rate of deploying renewable resources will be required to ensure system reliability, necessitating significant system-wide reform and out-of-the-box solutions. Clean Coalition agrees with many of the recommendations in the draft, particularly related to streamlined interconnection and permitting. Our comments will offer additional recommendations/context about the need focus more on distribution-level solutions. Distributed generation is the most effective way of delivering energy from the point of generation to the end user. This is particularly important because the increasing demand for electricity will mainly be tied to deployments of electrification measures (electric vehicles, electric heat pumps, etc.) in the state’s load centers. The report falls short when it comes to analyzing the impacts of an evolving distribution grid on systemwide reliability and the unique benefits of deploying distributed energy resources (DER). Clean Coalition urges the Commission to amend the report and address resource-siting potential on built environments—rooftops, parking lots, and parking structures— and consider the scale of distribution upgrades required to ensure reliability as demand for electricity increases.

Specifically, we recommend that the Commission:

- **Address the need for front-of-meter (FOM) interconnection reform of the Wholesale Distribution Access Tariff (WDAT).** Because WDAT applications are submitted by the investor-owned utilities (IOUs) to the Federal Energy Regulatory Commission (FERC), the IOUs have no incentive to streamline interconnection without pressure from state authorities.

- **Promote the deployment of Community Microgrids between now and 2030.** A Community Microgrid has the potential to island an area that spans an entire distribution area, appearing to the grid operator as a single demand response resource and reducing peak transmission usage.
- **Speed up the process to study and award deliverability, particularly for DER.** Given that resource adequacy is one of the main value streams for many projects being deployed nowadays, streamlining the study process will reducing the waiting period before deliverability is awarded, allowing for more efficient project deployments.
- **Address the impact that grid upgrades and existing distribution infrastructure limits will have on system reliability as the state electrifies/decarbonizes.** As the system load increases, required distribution upgrades will cause significant cost burdens, particularly for distribution projects, where the applicant is required to shoulder upgrade costs.
- **Consider DER in the Integrated Resources Portfolio planning process.** The existing methodology focuses solely on procuring traditional (transmission-interconnected) resources to meet reliability and policy-related goals. This process does not select for the most cost-effective resources for the ratepayers because only energy costs are considered, rather than factoring in energy costs **and** delivery costs. Moreover, while a single DER deployment is unlikely to produce as much energy as a utility-scale plant, the reduced timeframe to deploy a project is key, given the urgency of California’s need to procure enough additional capacity to guarantee reliability.

1. Streamlined FOM Interconnection

In order to maximize the value of DER projects as quicker and more efficient to deploy than utility-scale resources, the Commission should highlight the need for streamlined interconnection. Faster interconnection timelines for projects being deployed on either side of the meter, though the CPUC’s Rule 21 proceeding (R. 17-07-007) has greatly reduced costs and timelines for behind-the-meter projects (BTM). (See the table below.) The real opportunity for change is with reforming the FOM interconnection process for WDAT projects.

| Factor | BTM 1 MW rooftop project | FOM 1 MW rooftop Fast Track project |
|-------------------|--------------------------|-------------------------------------|
| Typical cost | \$37,500 | \$312,450 |
| Typical timeframe | 302.5 business days | 723 business days |

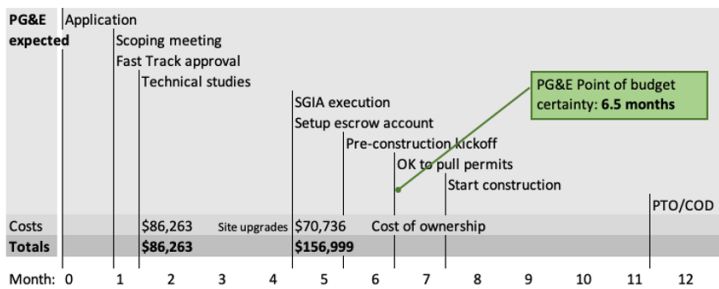
To improve the FOM Interconnection process, the state must shorten the interconnection application review process and pre-construction timelines, eliminate late design surprises and cost increases, and

make policy fixes to streamline FOM Interconnection. Consider the following three issues with current WDAT Fast Track Interconnection:

1. FOM interconnection costs cannot be definitively determined prior to application from publicly available information.
2. FOM projects face significant delays during interconnection studies.
3. FOM interconnections are not allowed on NEM customer service line drops, adding substantial costs and complexity.

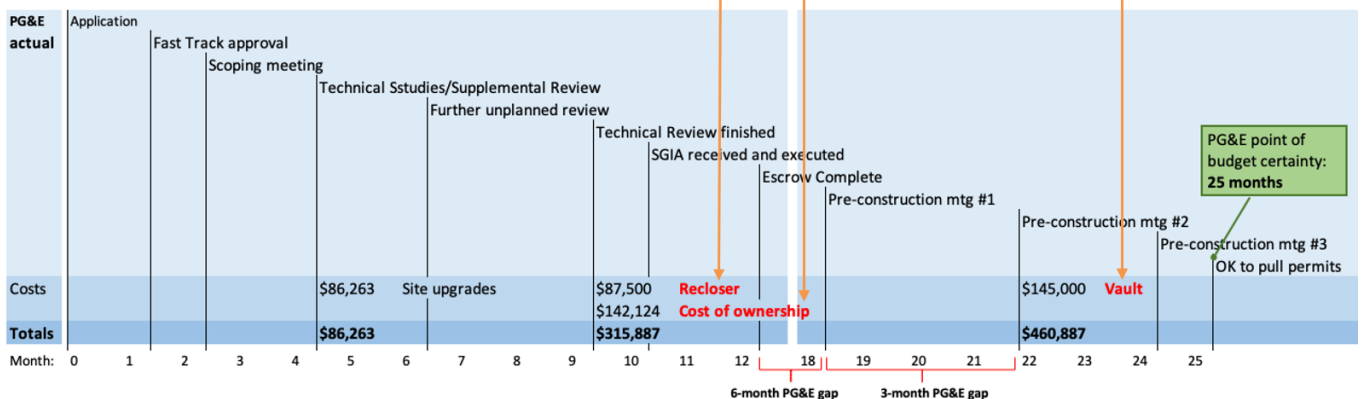
Clean Coalition has firsthand experience with the difficulties of the WDAT interconnection process. As part of our CEC-grant funded Valencia Gardens Energy Storage (VGES) project, Clean Coalition navigated the Fast Track interconnection process with PG&E. An expected six-month timeline took over two years due to utility delays and the cost for upgrades ballooned from \$156,999 to \$460,887.

FOM Interconnection Application submittal to OK to pull permits was expected to take about six months.



Late surprise cost increases

Instead, the process took over two years.



VGES - Expected Fast Track FOM Interconnection timeline vs. actual

Creating a determinative FOM interconnection process that reduces uncertainty for developers is key to unlocking the value of a high DER future, including, but not limited to local resilience and greater flexibility. Importantly, since WDAT reform is overseen by FERC, a recommendation by the Commission in this report about the need for FOM interconnection reform would go a long way toward jumpstarting long-needed action. Based on Clean Coalition experiences with IOU-representatives at interconnection workshops over the last few years, the IOUs do not consider FOM interconnection to

be a barrier to project deployment and have stated that they are not focused on initiating the WDAT-amendment process to streamline interconnection. Commission action is needed and this report is a perfect place to include this information, given that interconnection is already a key issue.

2. Promote the deployment of Community Microgrids

Community Microgrids are just starting to be deployed throughout California on a small-scale. On a larger-scale, a Community Microgrid could span an entire distribution area, creating a massive demand response (DR) resource (that has a similar effect to a third party DR-aggregator when islanded). This report should recommend that additional investment and technical expertise be provided to site Community Microgrids in load pockets, disadvantaged communities (DACs) and High Fire Threat Districts. In terms of cost-effective solutions, Community Microgrids provide an unparalleled trifecta of environmental, economic, and resilience benefits – all while providing reliable service.

3. Speed up the process for awarding deliverability

Considering the focus of this report is reliability and guaranteeing that the state has sufficient capacity to get through extreme weather conditions, Clean Coalition believes that there should be a greater focus on streamlining the process for awarding deliverability. The process for both ISO-interconnected resources and DER should be streamlined. Ideally, DER should be awarded automatic deliverability, if the project meets a set of criteria.

Conclusion

The Clean Coalition appreciates the opportunity to submit these comments on the draft CERIP report and urges the Commission to adopt the proposed amendments.

/s/ BEN SCHWARTZ

Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

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