

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

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

Rulemaking 21-06-017  
Filed June 24, 2021

**CLEAN COALITION REPLY COMMENTS ON CORRECTED SMART INVERTER  
OPERATIONALIZATION WORKING GROUP REPORTS**

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**I. INTRODUCTION**

Pursuant to Rule 6.2 of the Rules of Practice and procedure of the California Public Utilities Commission (“the Commission”), the Clean Coalition respectfully submits these reply comments on the *Administrative Law Judge’s* (“ALJ”) *Ruling Providing Two Working Group Report and Directing Responses to Questions on Reports*, issued on May 29, 2024, the *Administrative Law Judges’ Ruling Providing Uncorrupted Attachments*, issued on June 3, 2024, and the *Email Ruling Partially Granting Extension of Time for Comments*, issued on June 11, 2024. Clean Coalition appreciates the opportunity to comment and supports:

- Shifting from a focus on individual use cases to a framework that prioritizes streamlined deployment of Distributed Energy Resources (“DER”) and grid services.
- Developing standard terminology for use across all Commission proceedings.
- Considering equity in the scenario that multiple operational flexibility-capable DER are sited on the same circuit and additional capacity is available.
- Focusing on the timely and transparent sharing of accurate and granular data with Community Choice Aggregators and other Energy Service Providers.
- Prioritizing accurate & actionable Integration Capacity Analysis maps immediately, given the critical role of accurate data in enabling operational flexibility.
- Defining firm capacity as the minimum capacity guaranteed to a DER operator.

**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 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. California Solar & Storage Association (“CALSSA”)**

Clean Coalition finds CALSSA’s comments on the importance of prioritizing the creation of an overarching framework rather than focusing on specific use cases to be critical to the way that the Commission addresses the subject of smart inverter operationalization in the long term. The development of specific use cases is based on existing standards, communications capabilities, and grid constraints. As the abilities of the distribution system operator (“DSO”) changes, so will the ability to provide controls and communications on a more granular and dynamic basis, potentially obviating some of the work that has been put into this report. For example, the deployment of distributed energy resources management systems (“DERMS”) will increase the dispatchability of existing DER, enabling a greater number of interconnections on the existing system and increasing the ability to manage individual circuits in the most efficient manner possible. However, the two issues raised by CALSSA, the need to streamline interconnections and the ability of existing DER to provide value to the ratepayers via grid services are ongoing issues that will continually inhibit California’s ability to meet climate and energy goals.<sup>1</sup> Interconnection and energization backlogs will force customers have to wait longer prior to bringing new load or generation online, stymieing electrification efforts and limiting economic development. Increasing cost estimates to manage the evolution of the distribution system in a timely manner—as much as \$52 billion for primary grid upgrades associated with transportation electrification and years-long wait times—make the development of standard processes for flexible interconnections an invaluable investment in both the current grid and the grid of the future. For example, a microgrid deployed at a charging depot can constrain exports and imports using onsite generation, allowing an installation that would otherwise have to wait as much as five years to begin operation within two or three, benefitting the local community and helping

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<sup>1</sup> Comments of CALSSA on the Smart Inverter Operationalization Working Group Reports, at p. 2.

the state make progress toward achieving Senate Bill (“SB”) 100 goals. Likewise, for PG&E, which has at least 277 capacity projects totaling \$1.1 billion unfunded,<sup>2</sup> using existing energy storage to reduce the peak and mitigate the need for an upgrade in the interim may allow for the prioritization of grid upgrades that reduce the backlog, better enabling timely distribution upgrades. The focus on specific use cases risks missing the forest for the trees, when considering that broad systematic issues must be addressed consistently throughout the investor-owned utility (“IOU”) service territories to limit upward rate pressure and enable timely electrification.

For example, CALSSA notes two existing shortcomings with the process of receiving conditional permission to operate (“PTO”) status, the first being that, “there is no set process for customers to request it or for utilities to consider it, and the second, “that the grid capacity the customer wants to utilize may exist at some times and not others, but the customer cannot use that capacity at all until it is always available.”<sup>3</sup> Without a process that clearly lays out how a developer can request conditional PTO status for a proposed project and then how the IOU will manage such a request, each application will lead to the developer/utility reinventing the wheel rather than operating under transparent and streamlined procedures. Clean Coalition supports refocusing this track of the proceeding on these umbrella issues and the creation of a system for conditional PTO, which will improve the interconnection/energization process, thereby enabling many of the use cases discussed in the Working Group reports.

## **B. Vehicle Grid Integration Council (“VGIC”)**

VGIC makes an important point on the need to standardize terminology across Commission proceedings, to promote efficiency. They write, “The current use of terms is confusing and is already leading to stakeholders misunderstanding one another and, at a minimum, creates duplicative discussions about the same topic using different terminologies.”<sup>4</sup> Standard use cases should include streamlined definitions and terminology to promote inclusive markets processes. Developers seeking to work in multiple IOU or CCA service territories should not be hampered by inconsistencies, especially when seeking to deploy projects that advance California’s climate and energy goals.

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<sup>2</sup> Staff Proposal for the High DER proceeding, at p. 27.

<sup>3</sup> *Ibid.*, at p. 2-3.

<sup>4</sup> Comments of the VGIC on the ALJ Ruling Providing Two Working Group Reports and Directing Responses to Questions on Reports, at p. 5.

VGIC also raises the issue of how equity will be addressed in a situation where there are multiple customers able to provide operational flexibility on the same circuit. Will one DER be prioritized over another, or will the DSO provide the ability for each resource to increase export in an equal increment? Developing rules and regulations proactively, prior to an influx of DER deployments will ensure that these concerns are considered before any issue arises.

### **C. The Joint Community Choice Aggregators (“CCAs”)**

The Joint CCAs raise the crucial issue of data sharing and transparency in the development of the grid of the future, where data will only become more granular and needed for successful project deployments. Albeit a subject that has some overlap with the Data Access proceeding (“R. 22-11-013”), the Working Group reports make it clear that data has the potential to be a substantial barrier to the development of many of the use cases discussed. CCA customers represent a major percentage of customers in the California; for example, only 20% of San Diego Gas & Electric’s customer receive bundled service.<sup>5</sup> The remaining 80% receive service from San Diego Community Power or Clean Energy Alliance. The lack of data sharing puts CCAs at a disadvantage, making it more difficult to promote local development (such as deployments in disadvantaged communities), improve local air quality, or prioritize community resilience - especially in grid constrained areas. Clean Coalition strongly supports an increased emphasis on data transparency & sharing. Harmonizing any efforts in R. 22-11-013 with work done in this proceeding will ensure that real progress is made, rather than lead to duplicative efforts.<sup>6</sup>

### **D. Green Power Institute (“GPI”)**

GPI correctly identifies improving Interconnection Capacity Analysis (“ICA”) maps as a central issue inhibiting the deployment of flexible connection agreements, operational flexibility, limited generation profiles, and the other use cases described in the reports.<sup>7</sup> Proactive planning is not feasible without accurate and actionable data.<sup>8</sup> Clean Coalition raised a number of ICA

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<sup>5</sup> COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) PER ADMINISTRATIVE LAW JUDGE’S RULING DIRECTING RESPONSES TO QUESTIONS REGARDING IMPLEMENTATION OF DECISION 24-05-065, at p. 2-3/

<sup>6</sup> This is especially true given that the Data Access proceeding also houses the Avoided Cost Calculator, the avoided transmission & distribution study, the Societal Cost Test, and customer privacy issues.

<sup>7</sup> GPI Amended Opening Comments on Corrected Staff Proposal, at p. 3.

<sup>8</sup> *Ibid*, at p. 10. “Defining use cases should be part of defining “actionability.” Capabilities define the tool’s purpose and are more generic than use cases, which define the end user functionality. Updated ICA use cases are especially

related issues in our comments on the March 13, 2024 Staff Proposal, including supporting recommendations made by IREC and GPI.<sup>9</sup> Improving the ICA maps is also inherently tied to the two overarching topics mentioned by CALSSA, DER interconnection and grid services. Clean Coalition strongly believes that improving the accuracy and actionability of the ICA maps must be a priority to enable all other use cases described in the Working Group reports.

### **E. Enphase Energy**

Clean Coalition agrees that firm capacity should not be limited under any circumstances (other than a grid emergency), or it is by definition, not firm capacity.<sup>10</sup> Likewise, once a DER is interconnected, through a traditional interconnection agreement or a flexible agreement, there should be no reason to require a site to export less than the minimum amount of capacity the site is entitled to. Changing set assumptions agreed to in advance prior to a project receiving PTO will be disruptive to the economic conditions required for a successful project installation. Therefore, firm and non-firm capacity should mainly be a use case for the situation a grid upgrade is in progress, not an ongoing condition where the utility continually sends signals to reduce the capacity of a resource.

## **IV. CONCLUSION**

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

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needed to define what is meant by the ICA being “useful” and “accurate” from the perspective of third-party DER users and planners, as well as IOU personnel in processes such as DER siting and interconnection.”

<sup>9</sup> June 18, 2024, Clean Coalition Reply Comments on Staff Proposal, at p. 1-7

<sup>10</sup> Comments of Enphase Energy, INC. on Smart Inverter Operationalization Working Group Reports, at p. 2.