### 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 STAFF PROPOSAL

/s/ BEN SCHWARTZ

Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573

ben@clean-coalition.org

### 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 STAFF PROPOSAL

#### 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 comment to the *Administrative Law Judges*" ("ALJ") *Ruling Seeking Comment on Staff Proposal*, issued at the Commission on March 13, 2024, and *ALJ's Ruling Memorializing Extension of Time to File Comments and Providing Corrected Staff Proposal*, issued at the Commission on April 5, 2024.

Clean Coalition's comments address the clear sentiment expressed by parties on the need to improve the accuracy and actionability of the Integration Capacity Analysis ("ICA") tool and the associated maps beyond what is proposed in the Staff Proposal. As explained in opening comments, unless the underlying data and associated results are accurate, the tool is ineffective for the main two use cases—locating & siting distributed energy resources ("DER) and streamlining the interconnection of DER—envisioned by the Commission. In adopting these two use cases, the Commission has clearly laid out a mandate for the investor-owned utilities ("IOUs") that is not currently being met. The response from parties in opening comments was quite telling. Of the parties who addressed ICA-related proposals, only the IOUs suggested that the status quo was acceptable, either via promoting the existing process for refinements<sup>2</sup> or claiming that meeting the already-adopted use cases is not feasible. The vast majority of parties including the Interstate Renewable Energy Council ("IREC"), Green Power Institute ("GPI"), Vehicle Grid Integration Council ("VGIC"), the Joint Community Choice Aggregators ("CCAs"), CalSTART, Cal Advocates, the California Solar & Storage Association ("CALSSA"), Leapfrog Power Inc., and the Environmental Defense Fund & Natural Resources Defense

<sup>&</sup>lt;sup>1</sup> Staff Proposal, at p. 96.

<sup>&</sup>lt;sup>2</sup> See Southern California Edison's ("SCE") Opening Comments on the Staff Proposal, at p. 31.

<sup>&</sup>lt;sup>3</sup> Pacific Gase & Electric ("PG&E") claims, "however, it cannot be easily associated with interconnection timelines," in Opening Comments on the Staff Proposal, at p. 23.

Council ("EDF/NRDC") underscore the fundamental flaws in the ICA tools that are preventing use as envisioned by the Commission. Some of the same issues remain unsolved more than a half a decade after the Clean Coalition and other parties raised concerns in the first place. For example, while we have long understood that SCE's ICA remains far behind the other utilities, IREC's comments demonstrate a concerning level of ineptitude and a lack of prioritization, as well as acceptance on the part of the Commission rather than requiring compliance with clear requirements passed **years ago.** Therefore, the Clean Coalition strongly supports recommendations made by IREC, <sup>4</sup> CALSSA, <sup>5</sup> and GPI, <sup>6</sup> many of which echo sentiments raised in our opening comments. <sup>7</sup> A few recommendations of note include:

- Convene an ICA working group and ensure that stakeholders are updated on ICArelated problems.
- Require IOUs to maintain a central email for ICA related issues.
- Engage an outside consultant to validate results.
- Require all three IOUs to invest in the staff/computing power required for monthly refreshes and use of accurate ICA data in the Rule 21 interconnection process.
- Require SCE to address all known issues within the next year, including Load ICA issues.

#### 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.

<sup>&</sup>lt;sup>4</sup> IREC Opening Comments on Staff Proposal, at p. 4.

<sup>&</sup>lt;sup>5</sup> CALSSA Opening Comments on Staff Proposal, at p. 3.

<sup>&</sup>lt;sup>6</sup> GPI Opening Comments on Staff Proposal, at p. 3-4

<sup>&</sup>lt;sup>7</sup> See Clean Coalition Opening Comments on Staff Proposal, at p. 1-2 & 5-6.

## III. ICA IMPROVEMENTS BEYOND WHAT IS ADDRESSED IN THE STAFF PROPOSAL ARE NECESSECARY

The Clean Coalition concurs with GPI that many of the main issues plaguing the ICA maps remain pervasive despite significant input from stakeholders and time dedicated to raising the need for change at the appropriate venue at the Commission. Along with the Clean Coalition, "GPI raised these concerns literally nine years ago after the first iteration of the maps was made public and these concerns have astoundingly still not been adequately addressed." Given the ambitious electrification goals California is working to achieve, an accurate tool for siting and streamlined interconnection is essential. EDF/NRDC explain that with customers attempting to meeting regulatory obligations in the ACT [Advanced Clean Trucks] and ACF [Advanced Clean Fleets] rules, ensuring the ICA maps are as accurate as practicable should be a primary near-term goal for the Commission." Doing so requires accurate and actionable data. Currently, the maps suffer from inaccuracies and a lack of customer confidence, leaving the maps in a state where they cannot be used on a consistent basis for planning purposes.

Dedicated resources, along with additional computing power and staff time that goes beyond the status quo are needed to bring the ICA maps up to a level of high quality. Significant resource procurement and electrification efforts must occur over the next few years; having developers, "running blind' and potentially paying for what are already lengthy and costly feasibility studies in locations without having any sense of whether there is available capacity at that location," is inefficient, especially with feasibility studies costing over \$30,000 and taking up valuable utility engineer resources. <sup>11</sup> Of the numerous recommendations parties have made, results validation is of the highest importance. It is extremely difficult to identify erroneous data or bugs in the computing process with no way to determine the actual accuracy of the results. For example, IREC points out that SCE's Load ICA results show that 67% of the system has no capacity for new load—a very clear error—but there has never been a thorough investigation to

<sup>&</sup>lt;sup>8</sup> GPI Opening Comments on Staff Proposal, at p. 21.

<sup>&</sup>lt;sup>9</sup> EDF/NRDC Opening Comments on Staff Proposal, at p. 32.

<sup>&</sup>lt;sup>10</sup> VGIC Opening Comments on Staff Proposal, at p. 5.

<sup>&</sup>lt;sup>11</sup> CalSTART Opening Comments on Staff Proposal, at p. 23.

isolate and correct the source of the problem, <sup>12</sup> or to verify just how inaccurate the erroneous zero results are.

Cal Advocates describes its comments as focusing on, "the accuracy issues underlying the ICA's ability to achieve its potential," while the Joint CCAs flatly state:

The Commission should consider engaging in more direct management of the utilities' Integration Capacity Analysis (ICA) efforts. Further, the Commission should establish a target for a reasonable level of accuracy and update frequency in both the Generation and Load ICAs, a concrete timeline for achieving those targets, and consider disallowing ICA-related costs from rates where the utilities do not meet those targets. <sup>14</sup>

Parties have very clearly underscored the problems that have been left unsettled due to the lack of direct management and clear timelines for addressing existing issues. GPI concludes, "the IOUs have dragged their feet, obfuscated, and been seemingly unmotivated to create a workable tool." Therefore, Clean Coalition concurs with both IREC and the Joint CCAs that the Commission should consider revoking the ability of the IOUs to recover costs if issues are not resolved in a timely manner. The Commission has made the desired goals for the ICA extremely clear; additional oversight and perhaps even further motivation is necessary to get the tool to a state where achieving said goals is possible. Numerous parties suggest bringing in an outside consultant, while GPI goes as far as to suggest that transferring full control of the ICA to a third party may be the most effective tactic to ensure "expedited completion of actionable and accurate ICA map," as well as harmonization across the IOUs. 18

The lack of transparency when it comes to identifying and solving ICA-related issues is also concerning. The Clean Coalition attended the Interconnection Discussion Forum ("IDF") earlier this year and can confirm that the issue of ICA data not being refreshed in a timely manner with the submission of Rule 21 interconnection applications was brought up by IREC. A promise of further meetings with the Commission's staff, the IOUs, and stakeholders was made, but no follow-up opportunity was ever presented to stakeholders. Instead, meetings were held behind the scenes, preventing parties from participating in the process and limiting the transparent

<sup>&</sup>lt;sup>12</sup> IREC Opening Comments on Staff Proposal, at p. 9-12.

<sup>&</sup>lt;sup>13</sup> Cal Advocates Opening Comments on Staff Proposal, footnote 111 at p. 42.

<sup>&</sup>lt;sup>14</sup> The Joint CCAs' Opening Comments on Staff Proposal, at p. i.

<sup>&</sup>lt;sup>15</sup> GPI Opening Comments on Staff Proposal, at p. 3.

<sup>&</sup>lt;sup>16</sup> IREC, at p. 15, and the Joint CCAs, at p. i.

<sup>&</sup>lt;sup>17</sup> Parties include IREC and CALSSA

<sup>&</sup>lt;sup>18</sup> GPI Opening Comments on Staff Proposal, at p. 3-4.

exchange of data required to hold the IOUs accountable. This is a troubling development; cutting stakeholders out of the process is much more akin to treating parties who have participated in the refinement process since the inception of the ICA maps like enemies rather than partners. This treatment violates Vision Elements 2B and 2C of Track 2 in the DER Action Plan 2.0 as well as Guiding Principal F and a litany of instances in the Environmental & Social Justice ("ESJ") Action Plan. Most recently, SCE informed the service list of the ICA issue on the Friday before the Monday when opening comments on the Staff Proposal were due, a seemingly strategic tactic to limit any possible stakeholder discussion in the context of these comments and inclusion in the Staff Proposal. IREC notes that SCE knew about the issue for five months, and likely longer, but chose to wait until the absolute last minute to bring it to the attention of stakeholders. Commission action is required to buck the concerning trend of reduced transparency and accountability.

# A. The Commission should create an ICA Working Group, a central ICA email address, and mandate transparency with stakeholders.

Each of the IOU's ICA Maps have clear accuracy issues, albeit to a different degree. Central forums will increase transparency and accountability as it comes to reporting ICA issues, identifying solutions, determining an appropriate timeline to implement a solution, and verifying that the issue is fully resolved. In the past, the IDF and annual refinement reports have been the only way to address some ICA issues. By no means does the existing process include an exhaustive procedure to consider all the issues, or even more. In the past few years, IREC has been the most reliable source of finding other problems, through data request and its own investigations. Clean Coalition appreciates the work that they have done (and continue to do) but is concerned that the lack of a clear venue that consistently presents the opportunity for a back-and-forth conversation with the IOUs and other stakeholders has slowed the pace of progress. We support recommendations made by IREC, CALSSA, VGIC, GPI, and Cal Advocates on the need to increase the flow of information. This should include the creation of an ICA Working

<sup>&</sup>lt;sup>19</sup> "The Commission shall provide clear and consistent information about its enforcement actions and which entities it regulates." ESJ Action Plan, Guiding Principles at p. 3.

<sup>&</sup>lt;sup>20</sup> IREC Opening Comments on Staff Proposal, at p. 9.

Group, a central email to address ICA issues, and informing stakeholders about any and all issues and resolutions to problems as they arise via the service list.

# B. Investments in resources, including additional computing power, is necessary to improve the ICA.

During the IDF in January, one of the IOU responses to the questions about PG&E and SCE's inabilities to refresh all circuits on a monthly basis and in time to meet the 15-day requirement after an interconnection application is submitted was limited computing power. This is a question that must be addressed in the context of this proceeding, especially considering that existing problems are likely to be exacerbated overtime with the influx of new energization/interconnection applications associated with electrification. For example, PG&E states that implementation of Load ICA refinements is a priority due to the influx of EV applications in PG&E's service territory, "which warrants automation." <sup>21</sup> Clean Coalition's response is twofold. First, we agree with PG&E that automation is important and support such efforts, though PG&E's timeline of implementation by Q4 2025 is far too slow. It is worth noting that an accurate Load ICA tool will reduce the overall number of EV applications being submitted, since in many cases developers are more focused on understanding the actual grid conditions and securing a place in the queue than applying with a final determination of the site for a project. Second, it is clear that there is significant value in increasing the amount of processing power that each utility has, whether it is associated with ICA, forecasting, scenario planning, or increased automation. Additional computing power is likely to be one of the most "least regrets" investments that the IOUs can make. In the context of the ICA tool and maps, the lack of computing power should absolutely not be accepted by the Commission as a reasonable excuse for the lack of improvements/accuracy. The Commission should mandate that each IOU present information on the current levels of computing power and require the acquisition of additional processing power that is necessary to achieve the overarching objectives for the ICA maps.

C. The Commission should require SCE to map all known ICA issues in the next two months and solve the issues within a year.

6

<sup>&</sup>lt;sup>21</sup> PG&E Opening Comments on Staff Proposal, at p. 28.

The Clean Coalition, along with IREC, GPI, and other parties noted in opening comments that SCE's ICA maps are far less accurate than the other two IOUs, a problem that has been relatively consistent for more than five years. The Clean Coalition has noted significant inaccuracies with feeder-level data throughout SCE's service territory for years. More recently, SCE completed a full system refresh after IREC revealed that erroneous data led to the majority of the system having incorrect results (a problem that took over a year to fix). IREC's opening comments reveal that SCE's Load ICA data still shows that 67% of the system has no capacity. There has never been an investigation into the issue and SCE's QA/QC process has very clearly been ineffective at addressing the issue, compared to SDG&E, which has managed to review every circuit and reduce the amount of zero values to under 34% in a year. <sup>22</sup> In addition, SCE has added an exclusion criteria for 23 circuits (0.07%), but the criteria represents close to 1/3 of the entire system. As a result, 1,091 out of 4,130 circuits are deemed to be inactive, <sup>23</sup> a massive problem that was revealed in a data request by IREC. On May 10, 2024, IREC also identified a bug that is flagged on every single feeder in SCE's service territory.<sup>24</sup> From any of the Commission's metrics, the number and scope of ICA issues with SCE's ICA tool/maps is unacceptable. SCE is closer to meeting the bare minimum requirements for workable hosting capacity maps than to meeting the Commission's adopted use cases. Along with GPI and CALSSA, the Clean Coalition strongly concurs with IREC on the need for the Commission to require SCE to map all known ICA-related problems and solve them within one year (including the elimination of any exclusion criteria).

## IV. INTERCONNECTION AND ENREGIZATION PROCEDURES ARE HIGHLY RELATED TO THIS PROCEEDING

# A. The Commission should issue guidance on the schedule for the Rule 21 Interconnection proceeding.

The Clean Coalition agrees with GPI on the relationship between energization and interconnection procedures and a High DER future. The Rule 21 interconnection proceeding (R. 17-07-007) has been inactive for close to two years at this point. The last subject that was

<sup>&</sup>lt;sup>22</sup> IREC Opening Comments on Staff Proposal, at p. 12.

<sup>&</sup>lt;sup>23</sup> *Ibid*, at p. 22.

<sup>&</sup>lt;sup>24</sup> *Ibid*, at p. 24.

beginning to be broached, cost sharing procedures to spread costs for interconnection upgrades to multiple projects that use a feeder rather than requiring a single applicant to shoulder the entire cost burden, is important given the number of distribution upgrades that will be required to achieve California's decarbonization and electrification goals. We second GPI's request for guidance on the appropriate venue and expected schedule for streamlining interconnection. <sup>25</sup> GPI emailed the ALJs and the service list of R. 17-07-007 requesting clarification on the schedule on May 24, 2024. Thus far there has been no response. Given the critical importance of streamlined interconnection, Clean Coalition urges the Commission to address the issue here.

### B. The Commission should adopt the 15/15 rule on an opt-out basis.

We agree with EDF/NRDC and Cal Advocates that the 15/100/15 rule is leading overly broad redactions of data and is providing constraints that limit the opportunity for granular analysis of data.<sup>26</sup> We support PG&E shifting to the 15/15 rule and ideally, the Commission should consider an opt-out function to encourage developers to sharing learnings and improve the deployment/interconnection/energization processes.

#### V. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments. We urge the Commission to take a more active oversight role when it comes to the ICA, prioritize timely solutions to result in accurate and actionable information, and increase transparency/accountability in line with existing Decisions, the DER Action Plan 2.0, and the ESJ Action Plan.

/s/ BEN SCHWARTZ
Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573

ben@clean-coalition.org

Dated: June 18, 2024

<sup>25</sup> GPI Opening Comments on Staff Proposal, at p. 4.

<sup>&</sup>lt;sup>26</sup> EDF/NRDC Opening Comments on Staff Proposal at p. 30, and Cal Advocates Opening Comments on Staff Proposal, at p. 43-44.