

**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 COMMENTS ON PROPOSED DECISION ADOPTING
IMPLEMENTATION RULES FOR MULTI-PROPERTY MICROGRID TARIFFS AND
OTHER MATTERS**

/s/ BEN SCHWARTZ

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

October 7, 2024

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission (“the Commission”) Rules of Practice and Procedure, the Clean Coalition respectfully submits these reply comments on the party responses to the *Proposed Decision* (“PD”) *Adopting Implementation Rules for Multi-Property Microgrid Tariffs and Other Matters*, issued at the Commission on September 17, 2024. The PD rejects all stakeholder proposals and adopts the investor-owned utility (“IOU”) proposed Community Microgrid Enablement Tariff (“CMET”) as a Community Microgrid tariff. In doing so, the Commission fully rejects compensation for microgrid services and outside financing mechanisms collected from customers within the footprint of a microgrid paying for resilience, leaving unique one-off Community Microgrids financed largely part by grants as the only pathway to deployment. This approach guarantees that the widespread deployment of Community Microgrids will not occur. While some useful amendments are added to the CMET, far more are needed to make the tariff viable, as the Clean Coalition has explained numerous times in comments.¹ The CMET fundamentally fails to provide the certainty needed to commercialize Community Microgrids, especially in environmental justice communities, perpetuating existing inequities.

Peculiarly, the Commission makes no attempt in the PD to justify that the CMET **will work** or that the CMET is compliant with the goals and guidelines of the proceeding. There is also no refutation of clear and united comments by stakeholders that the CMET will not work as is. The record is extensive on this claim, the PD conspicuously absent. Rather, the fact that tariff language already exists for the CMET seems to be sufficient justification for the Commission to adopt it for all

¹ The Clean Coalition has recommended three general categories of improvements: clarifying and solidifying the development process and timelines, increased design certainty, and increased cost certainty. Some recommendations include static timelines for each step of the process, streamlined interconnection, studying resources as a single entity, greater coordination between utility departments, having a single liaison for a project, removing size limits, earlier point of budgetary certainty, creating a Community Microgrid unit cost guide, including DER deferral, increased islanding opportunities, etc.... See Clean Coalition Comments on Utility-Proposed Multi-Property Microgrid Tariffs, at p. 1-3

three IOUs. The Clean Coalition strongly disagrees. The PD appears to be a failure on the part of the Commission to do its due diligence in fully evaluating all proposals that may be adopted. The Commission effectively logicizes that by rejecting all stakeholder proposals, the status quo (e.g., the CMET and MIP) must be sufficient. In addition to skipping a full analysis of the merits and downsides of the CMET, the Commission fails to duly consider the Clean Coalition’s Resilient Energy Subscription proposal, often grouping it with other proposals despite calling it “novel,”² or ignoring it entirely.

The Clean Coalition is extremely disappointed by the Commission’s outlook and the rationale offered in the PD, which takes a short-sighted view of the need for resilience, decides against evaluating the CMET—despite the CMET having resulted in no Community Microgrid deployments—prior to adopting it,³ and completely fails to discuss the benefits of Community Microgrids. In totality, the PD falls short of meeting the clear standard set in Senate Bill (“SB”) 1339 to commercialize microgrids. We, therefore, urge the Commission to reject the PD as written and make significant changes.

Expanding an unsuccessful CMET and relying on a Microgrid Incentive Program (“MIP”) with limited available funds to meet the needs of disadvantaged communities (“DACs”) does not remove roadblocks from the process, only moves them slightly down the road. Creating a pathway to deployment is of no value if an applicant cannot move from the design to development stage in a timely manner and if resilience remains out of reach for the majority of DACs once MIP funds dry up.

Unfortunately, after five years in the making, the process for discussing Community Microgrids was rushed. Stakeholders received an opportunity to submit a proposal and one set of comments to address other proposals. Comments on how proposals met the Environmental and Social Justice Action Plan 2.0 (“ESJ Action Plan”) were used to discount stakeholder proposals from being adopted—other than the Clean Coalition’s proposal, which was not mentioned at all—while conspicuously not used as a standard to consider the CMET, and a public workshop that provided meaningful dialogue between parties was not included in the official proceeding record. Additional opportunities to refine proposals and address specifics were needed; none were provided, despite the proceeding taking a 6-month hiatus from March 2023 – October 2023. No reason was ever provided

² PD, at p. 48.

³ The only deployment, the Redwood Coast Airport Microgrid (“RCAM”) was used to develop the CMET and began planning in 2017. Therefore, RCAM should not be viewed as a CMET success story.

for a hiatus that was a significant departure from the proceeding schedule.

In relation to the Clean Coalition’s Resilient Energy Subscription (“RES”) proposal, the PD suggests, “The Commission must carefully consider any potential rate impacts, especially where inappropriate cost-shifts may directly or indirectly result.”⁴ However, the record does not suggest that the RES will create a cost shift—our comments clearly state that costs will solely be recovered from RES subscribers)—nor does the PD explicitly suggest that the Commission believes that a cost shift is evident with the RES. Rather, the PD uses the notion that “cost concerns” may exist to avoid giving the Clean Coalition’s proposal any full consideration. As with other proposals, developing a more extensive record and ensuring that cost questions and technical issues are addressed is in the best interest of the ratepayers, who will benefit from increased access to resilience that the CMET will not provide. Clean Coalition offers the following recommendations:

- The PD does not properly consider the Clean Coalition’s Resilient Energy Subscription Proposal and must be amended to reflect the full proceeding record.
- The PD should note that the record shows the CMET will not work for environmental justice communities.
- In accepting the status quo, the PD fails to meet the goals of the Environmental Justice Action Plan.
- The PD should be amended to account for the resilience needs of renters.
- The Commission improperly relies on the ESJ Action Plan to discount party proposals while rationalizing the status quo as sufficient to adopt the CMET, which must be fixed.
- The ESJ Action Plan must be applied consistently to all party proposals.
- The PD ignores the Clean Coalition’s proposal with discussing alignment with the ESJ Action plan, incorrectly grouping the RES with others stakeholder proposals.

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

⁴ PD, at p. 51.

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 PD does not properly consider the Clean Coalition’s Resilient Energy Subscription Proposal and must be amended to reflect the full proceeding record.**

Of the stakeholder proposals, the Clean Coalition’s RES stands alone as a financing mechanism that funds scalable Community Microgrids, based on individual subscriber fees (\$/kWh), rather than a specific compensation mechanism. Of the proposals, the RES is the only one that offers a framework for enhancing and expanding the footprint of a Community Microgrid over time and offers a rate-of-return for the Community Microgrid operator. We also made it clear that the RES can function on top of a base tariff that lays out rules and requirements for the Community Microgrid, such as an improved version of the CMET. The PD does not properly reflect either of these points and should be changed accordingly. Currently the RES is discussed in a section of the PD entitled, “The Compensation Mechanisms, Pricing, and Valuation Proposed by GPI, MRC, PearlX and Sunnova Avoid the Commission’s Statutory Duty to Regulate Rates.”⁵ The title alone suggests that the RES is an afterthought in this context and really does not belong grouped in the section as the other proposals. If it did, the Commission would have included the RES in title. The Commission describes the RES as presenting, “a degree of novelty.”⁶ This singular phrase is the most detailed analysis of the RES in the PD. No further analysis is offered. The Commission lists four concerns, all picked directly from Southern California Edison’s (“SCE”) Opening Comments on Voluntary Stakeholder Pro-Forma Standard Microgrid Multi-Property Tariff Proposals.⁷ SCE presented 14 questions in opening comments that were not possible to address fully in the five pages allotted for reply comments. Many of the questions were answer subsequently, including through in-depth discussion in the public workshop, which was unfortunately not included in the proceeding record. Yet the PD does not discuss Clean Coalition’s comments at all in the analysis of the RES, nor are the various levels of support from GPI, LGSEC, SBUA, PG&E, and SDG&E noted. Therefore, we urge the Commission to duly consider the RES and ensure that the PD reflects that proceeding record properly. Appendix A, below, includes excerpts from the Clean Coalition’s comments that

⁵ PD, at p. 45.

⁶ *Ibid*, at p. 50.

⁷ See pages 4-5 <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M523/K563/523563477.PDF>

address the four “concerns”, (1) customer disconnections, (2) potential cost shifting, (3) equity, and (4) affordability.

In addition, while the Commission does describe “cost concerns”, there is no explicit discussion of exactly how and why the Clean Coalition’s proposal presents these concerns. With other proposals, the Commission clearly states that a proposal will create a cost shift or that there are affordability concerns. In the case of the RES, the PD states that, “The Commission must carefully consider any potential rate impacts,” but the treatment of our proposal with little discussion shows anything but careful consideration.⁸ As was mentioned repeatedly in our comments, the RES is entirely financed by subscribers who are paying for the level of resilience they desire and choose to subscribe knowing that \$/kWh rate that must be paid. Likewise, when analyzing how proposals satisfy the ESJ Action Plan, the RES is not addressed at all. The Commission addresses an argument from Cal Advocates, despite the fact that Cal Advocates’ comments were focused on other proposals and did not directly oppose the Clean Coalition’s RES proposal. See responses to the “concerns” presented by the Commission, based on the proceeding record.

- **(1) Customer Disconnection Infrastructure:** Existing smart meters are capable of remote disconnections. Clean Coalition conducted outreach and found that two utility examples, Public Service Enterprise Group (“PSEG”) and American Electric Power (“AEP”) routinely conduct remote customer disconnection. The California IOUs also use this same functionality to start and turn off service for new customers. In the public workshop, representatives from the IOUs claimed that success rates *may* be above 90%, though more research is needed.
- **(2) Potential cost shifting:** This proposal does not create a cost shift. No IOU ratepayer that does not receive a guarantee of clean energy during an outage will be charged a higher rate due to a Community Microgrid implemented via the RES. Later in the PD, the Commission notes, “SBUA further asserts that both the Joint IOUs and Clean Coalition proposals have the benefit of avoiding prohibited cost-shifting to non-benefiting customers.”⁹
- **(3) Equity:** The benefits of a Community Microgrid will extend to the local community within and beyond the footprint of the Community Microgrid from having increased community resilience and emergency services available during outages. The RES provides a financing framework that puts resilience in reach for ESJ communities when it is currently

⁸ PD, at p. 51.

⁹ PD, at p. 59.

inaccessible in the status quo. Moreover, a subscription system enables each customer to purchase the amount of energy that is feasible, enabling resilience for any subscriber.

- **(4) Rate Affordability:** Rate affordability is a concern for all electricity. The Clean Coalition’s calculations show that a subscriber should expect to pay an extra 1% for each 1% of load backed up. The RES fee will continue to drop over time as additional subscribers are added and the footprint of the Community Microgrid increases, as the incremental costs will be lower than the initial costs associated with deploying the microgrid.

None of this is new; the information is included in numerous iterations of Clean Coalition comments and should be properly reflected in the PD. See citations and full excerpts in Appendix A, below. We urge the Commission to reject the PD as failing to duly consider the Clean Coalition’s RES proposal and the extensive record that has been developed in relation to these four points raised.

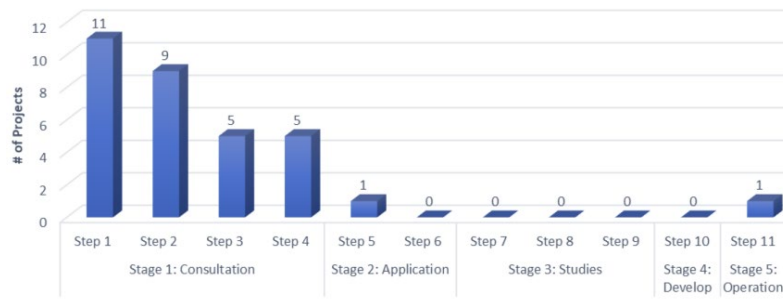
B. The PD should note that the record shows the CMET will not work for environmental justice communities.

Thus far, Pacific Gas & Electric’s (“PG&E”) CMET has not been a successful program, if the metric for success is resulting in Community Microgrids deployments. Data from October 2023 shows zero projects as having been completed since the CMET was adopted. We are not aware that significant progress has been made in the last year, let alone enough progress to justify expanding the CMET to all three IOUs. **The Commission has not conducted a thorough investigation to determine how successful or unsuccessful the CMET has been and why prior to the writing of this PD, a seemingly glaring oversight. Thus, a crucial question remains unanswered in the PD; if the Commission acknowledges that the CMET has not lived up to its expectations (to put it mildly), why will allowing SCE and San Diego Gas & Electric (“SDG&E”) to start a CMET program result in a different outcome?** After all, adopting the same program and expecting a different outcome is illogical and could end up being a massive waste of ratepayer funds.

The CMET has been difficult to navigate for all communities and completely unworkable for ESJ communities. Submitting an application for a Community Microgrid requires a substantial amount of up-front work, from conducting siting surveys to determine the approximate footprint of the microgrid, to calculating the economic feasibility of deploying a Community Microgrid. Multiple experienced partners may be necessary, including contractors, community-based organizations, and grant writers. These up-front barriers to entry are (1) why the Clean Coalition has consistently advocated for changes to increase applicant certainty and (2) why the MIP includes a

pre-development grant of \$25,000 following the submission of an application. In response to requests from many parties, the Commission acknowledged that adding early disbursement of funds will, “encourage MIP Applicants to develop viable microgrid proposals.”¹⁰ This statement suggests that the Commission understands early funding is required to ensure that ESJ communities can effectively navigate the application process. Many parties also advocated for pre-grant applications, to ensure that interested communities could find sufficient resources to even consider applying. The CMET adopted in the PD contains neither cost/timeline certainty nor any funds pre or post application submission to aid ESJ communities. That represents a **huge** barrier to entry that many ESJ communities will be unable to overcome and will deter others from even attempting. PG&E does offer technical assistance related to the technologies to be used in the Community Microgrid, starting around step 4 of 11.

CMET Open Inquiries as of 10/20/23
Prior 11-Step Process Mapped to Current 5-Stage Process



Unfortunately, 25 of 32 applicants have failed to get as far as Step 4.¹¹ Put simply, the CMET is not catered toward the needs of ESJ communities and cannot catalyze increased resilience deployments in ESJ communities. It is likely for this reason that the PD does not even attempt to claim that the CMET meets the goals of the ESJ Action Plan.¹² While eliminating stakeholder proposals on the basis that they do not comply with the goals of the ESJ Action Plan, the Commission holds the IOUs to a different standard and twists logic to adopt the CMET by suggesting that the status quo is sufficient.¹³ This logic must be fixed and the Commission should be consistent in its treatment of all

¹⁰ D. 23-04-034, at p. 22.

¹¹ These numbers may have changed slightly since October 2023

¹² PD, at p. 64. “This decision, in conjunction with D.21-01-018 and D.23-04-034, will support disadvantaged and vulnerable communities that may otherwise be unable to deploy a multi-property microgrid project without facing substantial capital costs.”

¹³ **The Commission claims that the MIP is sufficient to meet ESJ goals, even though the MIP represents the status quo and will continue regardless of the Community Microgrid proposal that is adopted. If the Clean Coalition’s**

proposals.

C. In accepting the status quo, the PD fails to meet the goals of the Environmental Justice Action Plan.

One of the overlying questions that the Commission is seeking to answer in this proceeding is, “To what extent should a single, unified microgrid multiproperty tariff align with or impact environmental and social justice communities (including the extent to which it could impact achievement of any of the nine goals of the Commission’s Environmental and Social Justice Action Plan Proposal)?”¹⁴ The PD does not answer this question explicitly, but from the Clean Coalition’s perspective, adopting the CMET clearly falls short of meeting the goals of the ESJ Action Plan. The Commission claims that “when paired with the multi-property microgrid tariff, this [the CMET] creates a “robust suite of offerings that meet Goals 1-3 of the ESJ Action Plan.”¹⁵ We disagree. The Commission ought to be taking steps forward to increase resilience offerings, not suggesting that efforts taken 1.5 years ago, and 2 years are good enough. The climate is changing rapidly and the needs of everyday Californians and the electrical grid along with it. Our decisionmakers cannot be complacent; regulators must constantly strive to progress and be agile in in the development of new solutions to not repeat the mistakes of the past. The Clean Coalition is supportive of the MIP and hopeful that it will result in many Community Microgrid deployments, but it cannot be enough to meet the needs to all ESJ communities across the state.

Goal 1 requires the Commission to consistently integrate equity and access considerations. This PD takes the approach that the status quo (e.g., business-as-usual or what we have done already) is good enough. We reject that claim; considering equity is not the same as making equity-based decisions that have solutions designed to work for ESJ communities in every context. Moreover, the existing funds are limited and may be unavailable in the next one-two years. Beyond capital considerations, other up-front barriers to entry that prevent many equity communities from ever seeking to deploy a resilience solution in the first place remain in place, unaddressed in the CMET or the PD. The MIP is an important step forward but falls short of commercialization. As we wrote in comments, “The MIP is limited based on available funds (the allocated \$200 million) and

RES proposal is adopted, the MIP will continue to exist. Therefore, it [the MIP] should not be used to justify the IOU proposal while stakeholder proposals are rejected as not meeting the goals of the ESJ Action Plan.

¹⁴ ADMINISTRATIVE LAW JUDGE’S RULING REQUESTING COMMENT ON RESPONDENTS AND STAKEHOLDER PROPOSALS’ ALIGNMENT WITH THE COMMISSION’S NINE ENVIRONMENTAL AND SOCIAL JUSTICE ACTION PLAN GOALS, at p. 2.

¹⁵ PD, at p. 65.

should not be conflated with a standard tariff that provides a pathway to any potential applicant.”¹⁶ Commercialization requires process reforms that have not occurred in the CMET to increase certainty surrounding timelines and interconnection.

Likewise, if the subject of Goal 2, “Increase investment in clean energy resources to benefit ESJ communities,” can be understood in the context of Track 5 of this proceeding as increase investment in clean energy Community Microgrids, adopting the CMET absolutely does not represent a step forward. If anything, it is a lateral step. Adding a new tariff, the CMET, known to be unworkable for ESJ communities is a potential waste of resources for interested communities that are unable to access the MIP. If ESJ communities are unable to deploy Community Microgrids via the CMET, Goal 3 is also not being met. Therefore, the Commission’s statement that the combination of the CMET and MIP and existing programs meet ESJ Action Plan goals 1-3 is incorrect and must be revised. Steps taken to meet ESJ needs multiple years ago are not sufficient for all communities in the present, and adopting the CMET provides no benefit to DACs. Clean Coalition recommends that the PD be amended to properly reflect the fact and avoid relying on the status quo as a crutch to avoid taking sorely needed action.

The PD argues that the status quo is sufficient to meet Goals 1-3 but fails to address the other 6 goals. The most obvious omission is ignoring Goal 4, “Increase climate resiliency in ESJ communities.”. The Decision adopted must increase climate resiliency in ESJ communities, via an increased ability of ESJ communities to deploy Community Microgrids. As explained in detail above, the CMET flatly does not meet that standard. Claiming the MIP meets the needs to ESJ communities is a non-unique argument that is true whether the CMET is adopted, or the Clean Coalition’s RES is. The key question that needs to be addressed is which new proposal moves the needle forward and increases the ability of an ESJ community to deploy a Community Microgrid. As long as the Commission is unwilling to argue that the CMET (on its own) will increase resilience offerings in DACs and meets Goal 4, Clean Coalition advocates that it must not be adopted.

i. The PD should be amended to account for the resilience needs of renters.

The Clean Coalition and Microgrid Resources Coalition (“MRC”) have consistently raised the inability of renters to provision resilience. Due to the requirement for individual meters, apartment dwellers must deploy a Community Microgrid for true resilience. However, since apartments are

¹⁶ Clean Coalition Comments on Party Responses to Administrative Law Judge’s Ruling Requesting Comment on Respondents and Stakeholder Proposals’ Alignment with the Commission’s Nine ESJ Action Plan Goals, at p. 2.

often located on a single property, the Commission’s focus on multi-property microgrids leave apartments without a real opportunity. A lack of ownership over roof space and high costs for individual Solar Microgrids also preclude most renters from deploying any type of microgrid at all. Renters tend to be of a lower socioeconomic status than Californians who own property and many apartments are sited in ESJ communities. Therefore, the Clean Coalition continues to posit that meeting the goals of the ESJ Action Plan necessitates an option that renters can take advantage of to deploy a resilience solution. Navigating a tariff for large project that span entire distribution areas for a small single parcel project that is relatively simple in comparison to many other Community Microgrids is not a workable solution. Clean Coalition urges the Commission to consider an option to enable resilience solutions at apartments that can be deployed in a timely manner.

D. The Commission improperly relies on the ESJ Action Plan to discount party proposals while rationalizing the status quo as sufficient to adopt the CMET, which must be fixed.

1. The ESJ Action Plan must be applied consistently to all party proposals.

The Clean Coalition is concerned that the ESJ Action Plan is being weaponized and selectively applied in this PD to reject stakeholder proposals and advance the CMET. Nowhere in Section 5.3.3 does the PD even mention the CMET at all. The Commission does not explain how the CMET increases access in ESJ communities or aligns with the goals, only that the suite of tariffs will advance ESJ Action Plan goals. Yet, while referencing stakeholder proposals, the Commission never considers the “robust suite of offerings,” that is used as a boon for the CMET.¹⁷ In Track 5 of this proceeding, the stakeholder proposals are being held to a different standard than the IOU proposal, and the ESJ Action Plan is being used as a mechanism by the Commission to selectively choose to deny proposals. The Commission must fairly analyze all of the proposals, meaning that the CMET must be discussed based on its own merits, or lack thereof, since that is treatment that the stakeholder proposals are given as well.

2. The PD ignores the Clean Coalition’s proposal with discussing alignment with the ESJ Action plan, incorrectly grouping the RES with others stakeholder proposals.

Once again in this section, the Clean Coalition’s RES proposal is grouped with the other stakeholder proposals, denied as incompliant without ever actually being directly mentioned. The Cal Advocates comments¹⁸ often cited in this section never once reference Clean Coalition or the RES, suggesting that their critiques do not include the Clean Coalition’s RES proposal.

¹⁷ PD, at p. 65.

¹⁸ Comments of the Public Advocates Office on Responses of Respondents and Stakeholders on the Alignment of Microgrid Multi-Property Tariff Proposals with the Commission’s Nine ESJ Action Plan Goals.

Therefore, those comments should not be used as reasoning to deny our proposal. We urge the Commission to amend the PD to properly address the Clean Coalition’s proposal and explain that the RES is compliant with the goals in the ESJ Action Plan. As explained in comments, the RES aligns with Goals 1, 2, 3, 4, 7, and 9.¹⁹

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit comments on the PD. We urge the Commission to reject the PD as written and make substantial amendments. The Clean Coalition’s RES proposal must be fully considered to reflect the extensive record, including the degrees of support from a wide range of parties and the numerous ways in which the proposal complies with the ESJ Action Plan. The Commission must not treat the status quo as reason to adopt the CMET or to select one proposal over another; each proposal must be fully evaluated on its own merits.

/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: October 7, 2024

¹⁹ Clean Coalition Comments on Party Responses to Administrative Law Judge’s Ruling Requesting Comment on Respondents and Stakeholder Proposals’ Alignment with the Commission’s Nine ESJ Action Plan Goals, at p. 2.

Appendix A

Disconnections:

Clean Coalition Submission of the Resilient Energy Subscription into the Record as a Draft Microgrid Multi-Property Tariff

1. “This means that the Community Microgrid operator will have the ability to remotely shut-off smart meters, which has been demonstrated to be technically feasible in other utility service territories and should not inhibit the facilitation of the RES in California.” (4)
 - Example from Public Service Enterprise Group (“PSEG”):
<https://energizepseg.com/2021/11/16/smart-meters-you-asked-we-answered/>
 - Example from American Electric Power (“AEP”):
https://smartgrid.epri.com/UseCases/Meter%20Remote%20Connect%20Disconnect_ph2add.pdf
 - <https://clean-coalition.org/disaster-resilience/>
2. “The utility will have the ability to turn smart meters off remotely, since smart meters have been fully rolled out, either at the remote operations center or using SCADA.” (20)
 - CLEAN COALITION REPLY COMMENTS ON STAKEHOLDER PRO-FORMA STANDARD MICROGRID MULTI-PROPERTY TARIFFS
3. “PG&E and SDG&E oppose remotely disconnecting customers in the footprint of a Community Microgrid via smart meters as “not workable and not supported by the Joint IOUs,” arguing that the technology has high failure rates and will result in some customers being re-energized later than others.⁷ On the first point, the utilities already use remote disconnects/energizations to turn the electricity on for new customers at existing facilities, meaning that it is feasible to do when time is not a factor. Moreover, the Clean Coalition presented evidence from two utilities outside of California, Public Service Enterprise Group and American Electric Power, demonstrating that the use of smart meter disconnects is practiced throughout the industry with great success. We are also speaking with Alliant Energy on the subject. In their rebuttal, the PG&E and SDG&E do not attempt to discuss the evidence presented in the Clean Coalition’s RES filing, nor do they in any way quantify the percentage failure rate when it comes to remote disconnects. While there is unfortunately no summary/transcription on the record, when we raised this issue at a meeting of the Resiliency and Microgrids Working Group, we learned that the success rate is likely in the range of 90%. Though unofficial and provided in an informal capacity, this number is iterative of the fact that a smart meter disconnect approach may be feasible. The IOUs should file a detailed analysis on their current smart meter capabilities, rather than relying on general statements as opposition.”
4. Second, the PG&E and SDG&E assert that the use of smart meters is not workable because it would result in some customers having power returned later than others due to smart meters failing to receive signals.⁹ This argument is inherently tied to the IOU’s first concern about the success rate of remote disconnect/re-connections. As a result, the Commission should not be persuaded, particularly given the ambiguity and lack of evidence presented. The Clean Coalition is happy to work with the utilities on details surrounding a reconnection procedure between the Community Microgrid and the broader distribution grid. Perhaps it is possible that prior to re-integrating the Community

Microgrid, the Community Microgrid operator can make sure that all meters are turned on, alleviating PG&E and SDG&E's concern. Regardless, neither utility claims should be a reason for the Commission not to move forward with the Clean Coalition's RES proposal." (3-4)

- Clean Coalition Reply Comments on Stakeholder Pro-Forma Standard Microgrid Multi-Property Tariffs

5. "While there is unfortunately no summary/transcription on the record, when we raised this issue at a meeting of the Resiliency and Microgrids Working Group, we learned that the success rate is likely in the range of 90%. Though unofficial and provided in an informal capacity, this number is iterative of the fact that a smart meter disconnect approach may be feasible. The IOUs should file a detailed analysis on their current smart meter capabilities, rather than relying on general statements as opposition." (4)

Cost of Resilience

1. "Under the status quo, large scale resilience (e.g., Community Microgrid deployment) is predominantly out of reach for ESJ communities, as evident by the fact that only 1 out of 32 CMET projects has been completed (and none in ESJ communities). Unfortunately, many of the existing barriers to entry remain in place, especially for EJS communities; rather than relying on grant funding, the RES provides a financing framework and a way to design Community Microgrids, on top of which low-income subsidies and technical assistance can be layered for the best chance of a successful deployment. In addition, the fact that non-essential loads and the meters of non-RES subscribers in footprint of the microgrid can be turned off makes a Community Microgrid deployment more feasible than a Community Microgrid required to provision 100% resilience to all loads and facilities over a long duration." (3)

- Clean Coalition Reply Comments on Stakeholder Pro-Forma Standard Microgrid Multi-Property Tariffs

2. On the cost of resilience: "Under the RES, only participating customers will be assessed a RES fee and the level of the fee will be based on the individual customer's appetite for resilience. The RES fee will be clear upfront and will be a standard one-year contract to ensure that no consumer protection violations are possible." (21)
3. "The fee should not be more than an additional 1% on top of the normal price of energy for each 1% of the load that is backed up." (22)
- Clean Coalition Response to Administrative Law Judge's Ruling Requesting Comment on Respondents and Stakeholder Proposals' Alignment with the Commission's Nine Environmental and Social Justice Action Plan Goals
4. "The Clean Coalition's Resilient Energy Subscription ("RES") proposal is a complementary framework to design and finance scalable Community Microgrids deployed to provide resilience at CCFs and the broader community. The RES is a fee-based market mechanism (\$/kWh) allowing a facility within the footprint of a Community Microgrid to subscribe to receive a guaranteed delivery of renewable energy

in the event of a grid outage. The subscription option lets each facility determine what the appropriate level of resilience is based on its willingness to pay.” (2)

- Clean Coalition Reply Comments on Party Responses to Administrative Law Judge’s Ruling Requesting Comment on Respondents and Stakeholder Proposals’ Alignment with the Commission’s Nine Environmental and Social Justice Action Plan Goals
- 5. “As explained in our initial response, “The initial fee is based on the Community Microgrid costs – e.g., capital expenditures, operations & maintenance, a rate of return, and Tier 1 resilience for CCFs – and the cash inflows – energy sales to the utility, tax credits, grants, or program-related funding – although the RES fee will decrease over time as the microgrid is expanded and subscribers are added.” There is no cost shift because each participant is paying for the full amount of resilience they select.” (2)
- 6. “The RES spreads costs out over time in a predictable manner in a monthly \$/kWh fee while appropriately socializing the costs of resilience at CCFs, promoting resilience that benefits the entire community and enabling individual residents to select & fund the level of resilience that they feel is appropriate for their needs.” (2)
- Clean Coalition Response to Administrative Law Judge’s Ruling Requesting Comment on Respondents and Stakeholder Proposals’ Alignment with the Commission’s Nine Environmental and Social Justice Action Plan Goals

Paying for for infrastructure/equity:

1. “Due to the critical role that Tier 1 facilities play in keeping communities safe and functioning, the COS for serving all Tier 1 loads at Tier 1 facilities should be socialized, much like the way in which costs associated with the transmission and distribution (“T&D”) grids are socialized via rate-basing.” (6)
- Clean Coalition Submission of the Resilient Energy Subscription into the Record as a Draft Microgrid Multi-Property Tariff

Cost Shift:

1. “The RES is a methodology that will inherently prevent cost shifts, by only billing participating customers for the resilience that they choose to reserve. Non-participating customers will receive benefits via the increased societal resilience at CCFs, which will offer critical services that preserve societal structure in the event of grid outages of any duration. Through initial contracts of one year, participating customers will know exactly what level of resilience they are paying for and have certainty that there will not be significant cost increases at any point.” (18-19)
- Clean Coalition Submission of the Resilient Energy Subscription into the Record as a Draft Microgrid Multi-Property Tariff

CUE concerns about black sky operations:

1. “The procedures laid out above do not infringe on existing requirements related to PUC 218(b), since the primary role of these Community Microgrids is for black sky conditions. Community Microgrids deployed via the CMEP, CMET, or Microgrid Incentive Program would all apply.” (19)
 - Clean Coalition Submission of the Resilient Energy Subscription into the Record as a Draft Microgrid Multi-Property Tariff
2. “only the Coalition for Utility Employees (“CUE”) does not support the RES, arguing that Community Microgrids must be operated by the utility in all circumstances, which, while not directly in opposition to the Clean Coalition’s proposal, deserves a response.¹ We point to the first Community Microgrid in California, the Redwood Coast Airport Microgrid (“RCAM”) to dispute CUE’s assertion. Under normal circumstances, the grid is operated by PG&E, but in the event of an outage, PG&E hands the controls over to the Redwood Coast Energy Authority (“RCEA”), the local Community Choice Aggregator (“CCA”).” (3)
3. “The main difference is that the RES involves a fee levied by the Community Microgrid owner-operator, which can be the utility or a third party.”
 - Clean Coalition Reply Comments on Stakeholder Pro-Forma Standard Microgrid Multi-Property Tariffs

¹ COMMENTS OF THE COALITION OF CALIFORNIA UTILITY EMPLOYEES ON NON-UTILITY MULTI-PROPERTY MICROGRID TARIFF PROPOSALS, at p. 9.