BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards.	Rulemaking 22-11-013 (Filed November 17, 2022)

CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION ADOPTING GUIDING PRINCIPLES FOR THE AVOIDED COST CALCULATOR AND ESTABLISHING A DISTRIBUTIONAL EQUITY ANANLYSIS PROCESS

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Clean Coalition respectfully submits these reply comments on the *Proposed Decision* ("PD") *Adopting Guiding Principles for the Avoided Cost Calculator and Establishing a Distributional Equity Analysis Process*, issued at the Commission on October 14, 2026.

The Clean Coalition supports the PD's adoption of a Distributional Equity Analysis ("DEA") alongside existing distributed energy resource ("DER") cost-effectiveness evaluations and opposes requests to remove that framework. The Commission should retain the proposed Integrated Equity and Reliability Analysis ("IERA") and its integration into utility planning, while clarifying that the results must inform consideration of cost-effective DER alternatives to conventional distribution investments. Equity analysis should guide actionable solutions, not simply document disparities.

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. The Commission Should Retain the Distributional Equity Analysis and Ensure its Findings Inform DER-Based Alternatives to Distribution Investments

PG&E and SCE argue that the Proposed Decision's DEA is disconnected from DER cost-effectiveness because it draws on distribution planning and reliability data developed in separate proceedings.[1] This distinction overlooks the fundamental relationship between distribution investment decisions and the opportunities for DERs to cost-effectively address grid needs. The Commission cannot fully assess the equitable deployment and benefits of DERs without understanding where distribution constraints, reliability deficiencies, and investment disparities exist.

Indeed, the Commission's own Energy Division has previously recognized the risk of inequitable distribution planning. The April 2024 R.21-06-017 High DER Staff Proposal identified SCE's use of household incomes exceeding $150,000 as a propensity indicator for electric vehicle capacity forecasting, warning that such modeling can bias forecasted capacity allocation toward wealthier neighborhoods.[2] This example illustrates why equity cannot be evaluated independently of the planning assumptions that determine where grid capacity is anticipated and investments are prioritized.

The PD appropriately builds on existing Commission requirements by integrating the equity metrics adopted in Resolution E-5480 with circuit-level reliability information required by D.26-08-007. Rather than duplicating these proceedings, the resulting Integrated Equity and Reliability Analysis ("IERA") provides an opportunity to identify where existing planning practices may produce inequitable outcomes and where DER-based solutions could cost-effectively address grid needs. This approach complements traditional cost-effectiveness testing without requiring modifications to the ACC itself.

[1] PG&E Opening Comments on PD at p. 1, 10; SCE Opening Comments on PD, at p. 4.
[2] CPUC Energy Division, *Staff Proposal for the High DER Proceeding* (April 5, 2024), pp. 58–59.

Clean Coalition therefore supports retaining the DEA and its integration into the Grid Needs Assessment and General Rate Case processes. However, the final Decision should clarify that the utilities must consider whether DER-based non-wires alternatives can address identified equity and reliability deficiencies while deferring or avoiding conventional distribution investments. This clarification would strengthen the relationship between the DEA and DER cost-effectiveness while ensuring that the analysis informs practical solutions rather than merely documenting disparities.

Proposed Change to Ordering Paragraph 3(b): Describe whether and how identified circuit-level findings inform utility planning and investment strategies in the GRC period of the filing, including whether and how feasible DER-based non-wires alternatives were evaluated to address identified equity and reliability needs while avoiding or deferring distribution infrastructure investments.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments and urges the Commission to retain the PD's DEA framework and require that its findings meaningfully inform utility distribution planning and investment decisions. By integrating existing equity and reliability data into the GNA and GRC processes and expressly requiring consideration of feasible DER-based alternatives, the Commission can move beyond identifying disparities toward addressing grid needs, improving resilience, and avoiding unnecessary infrastructure costs. The Commission should reject requests to eliminate the DEA and adopt the targeted clarification to OP 3(b) proposed above.

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