

May 7, 2018

CPUC Energy Division Tariff Unit 505 Van Ness Avenue San Francisco, California 94102 EDTariffUnit@cpuc.ca.gov

Re: Protest of the California Energy Storage Alliance to
Advice Letter 3210-E of San Diego Gas and Electric Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance ("CESA")¹ hereby submits this response to the above-referenced *San Diego Gas & Electric Submission of Proposed Distributed Resources Planning Data Reduction Criteria Pursuant to Decision 18-02-004* ("Advice Letter"), submitted on April 16, 2018.

¹ 8minutenergy Renewables, Able Grid Energy Solutions, Advanced Microgrid Solutions, AltaGas Services, Amber Kinetics, American Honda Motor Company, Inc., Axiom Exergy, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Centrica Business Solutions, Consolidated Edison Development, Inc., Customized Energy Solutions, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, ElectrIQ Power, eMotorWerks, Inc., Enel, Energport, ENGIE, E.ON Climate & Renewables North America, Fluence Energy, GAF, Greensmith Energy, Gridscape Solutions, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Iteros, Johnson Controls, Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Magnum CAES, Mercedes-Benz Energy, NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., NRG Energy, Inc., Parker Hannifin Corporation, Pintail Power, Primus Power, Range Energy Storage Systems, Recurrent Energy, Renewable Energy Systems (RES), Sempra Renewables, Sharp Electronics Corporation, SNC Lavalin, Southwest Generation, Sovereign Energy, Stem, STOREME, Inc., Sunrun, Swell Energy, True North Venture Partners, Viridity Energy, Wellhead Electric, and Younicos. The views expressed in this Response are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies.



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I. BACKGROUND AND INTRODUCTION.

CESA supports the Distribution Investment Deferral Framework ("DIDF") that was adopted in Decision ("D.") 18-02-004 that laid the foundation for identifying ongoing opportunities an on annual basis through a Grid Needs Assessment ("GNA") and subsequent Distribution Deferral Opportunity Report ("DDOR") for distributed energy resources ("DERs") to defer or avoid traditional distribution infrastructure projects. The DIDF was intended to add transparency into the distribution grid planning process, within reasonable limits to ensure physical and cyber security and customer privacy protections.

However, in the Advice Letter filed pursuant to Order 2(g) of D.18-02-004, San Diego Gas and Electric Company ("SDG&E") proposes data redaction criteria that does not strike a reasonable balance between ensuring physical/cyber security and customer privacy provisions and providing DER providers with the information necessary to understand distribution grid needs and in response propose potentially cost-effective DERs as solutions that defer or avoid the need for distribution infrastructure investments. Specifically, SDG&E proposes to redact information on circuit and substation load, cost of distribution system upgrades, and GNA mapping for all identified distribution grid needs. As a result, CESA finds the GNA information and data to not be informative in supporting DER siting and solicitations. Rather, CESA recommends that SDG&E adopt the data redaction criteria proposed by Southern California Edison Company ("SCE") as more reasonably striking this balance while complying with the orders of D.18-02-004.

II. <u>DISCUSSION.</u>

SDG&E proposes to redact the following:

- Circuit/conductor routing information with location and connectivity and replace with land grids/parcels on mapping layers
- Substation and circuit load/equipment rating/information
- Distribution system upgrade costs
- Use of application programming interfaces ("API")
- GNA mapping layer

While physical/cyber security and customer privacy protections are important considerations in determining the type and level of data on distribution grid needs should be shared publicly and with DER providers, CESA believes SDG&E's data redaction criteria do not comply with the orders of the decision that clearly outline the requirements to make grid needs data available at the circuit level (Order 2(e)) and through API capability (Order 2(l)), in addition to making available the actual cost of distribution system upgrades as public information (Order 2(q)).



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First, SDG&E proposes that, instead of circuit-level data, displaying hosting capacity values to land grids/parcels will provide DER developers with sufficient information to interconnect the resource at least cost.² However, making data available at the land grids/parcels level does not provide sufficient granularity to actually support interconnection or siting decisions and does not support an assessment of the GNA to understand the specific circuit-level grid need, which may differ substantially from the more granular need. Since DERs are being solicited within the DIDF to meet granular distribution grid needs, this circuit-level information is needed to support the formulation of DER portfolios and bids to effectively and efficiently defer or avoid distribution infrastructure projects. Further, SCE has proposed an approach that would balance SDG&E's security and privacy concerns by proposing to adopt the "15/15 Aggregation Rule" as adopted in D.97-10-031 to protect customer privacy and to redact facility ID data to avoid targeted vulnerabilities by bad actors.³ SCE's plan allows for greater granularity to understand circuit-level grid needs while guarding against overly granular and revealing data that could be exploited by bad actors. Meanwhile, Pacific Gas and Electric Company ("PG&E") takes a more case-by-case approach to applying data redactions to GNA information, which raises concerns about the lack of specificity in the criteria by which data will actually be redacted but is still preferable to SDG&E's blanket redaction criteria for certain types of GNA data.⁴ In sum, CESA recommends that SDG&E revise its data redaction criteria related to making circuit routing information available without identifying specific facilities.

Second, SDG&E proposes to redact distribution system upgrade cost information, despite it being required by D.18-02-004 to be disclosed as public information. D.18-02-004 already addressed concerns about the sensitivity of this market data and agreed with parties that competitive solicitations drive least-cost solutions to be procured.⁵ While the decision focused on the anti-competitive concerns by providing this information to DER providers, SDG&E raised new considerations around how revealing this information publicly would affect competitive sourcing for traditional "wires" projects.⁶ CESA disagrees with SDG&E, as the same principles behind competitive solicitations driving least-cost solutions would apply for third parties offering "wires" projects as well, where bidders will be motivated by other competitors to offer their most cost-effective bids to win the bid. SCE's approach is also helpful in this regard, where the historical average unit cost of mitigation is made available as an estimate and benchmark but would not necessarily represent the actual procured cost. PG&E similarly outlined how it will not

² Advice Letter, p. 7.

³ Advice 3786-E Southern California Edison Company's Distribution Resources Plan Data Redaction Criteria in Compliance with Decision 18-02-004, filed by SCE on April 16, 2018, pp. 2-3.

⁴ Advice 5276-E Data Redaction Criteria in Response to the Decision on the Distribution Investment and Deferral Process (D.18-02-004), filed by PG&E on April 16, 2018, pp. 3-4.

⁵ D.18-02-004, p. 56.

⁶ Advice Letter, p. 9.

⁷ Advice 3787-E Southern California Edison Company's Distribution Resources Plan Grid Needs Assessment and Distribution Deferral Opportunity Report Proposed Work Plan and Format in Compliance with Decision 18-02-004, filed by SCE on April 16, 2018, p. 8.



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redact unit cost of traditional mitigation while noting the market sensitivity of this information.⁸ CESA thus again recommends that SDG&E not redact this information and comply with the decision by adopting SCE's approach in their GNA and DDOR filings.

Third, SDG&E proposes to redact the GNA mapping layer because it would not be necessary for mapping the DDOR information and would only expose SDG&E to vulnerabilities that bad actors can take advantage of. CESA disagrees. With the security and customer privacy protections as adopted in SCE's approach, SDG&E's concerns can be addressed. In addition, one of the purposes of applying a GNA mapping layer is to support the Distribution Planning Advisory Group ("DPAG") in reviewing the GNA to ensure that the technical, timing, and prioritization screens are adequately applied while offering industry insight into how DERs can address identified needs from the GNA to guide the shortlisting of deferrable candidate projects in the DDOR. Specifically, the decision noted that "the DPAG would also have the option of considering for deferral projects that did not make the candidate shortlist after the initial deferral screening process." However, without the GNA mapping layer, the ability to provide this advice and to vet the screening and selection criteria is muted. CESA thus recommends that SDG&E revise its work plan and data redaction criteria to apply the GNA mapping layer.

Finally, CESA recommends that the Commission staff explore how non-disclosure agreements ("NDAs") can be used as a condition of having access to the GNA and DDOR information contents. In limiting data access to market participants, CESA believes that the risk of bad actors exploiting the GNA and DDOR data is reduced.

⁸ Advice 5276-E Data Redaction Criteria in Response to the Decision on the Distribution Investment and Deferral Process (D.18-02-004), filed by PG&E on April 16, 2018, p. 4.

⁹ D.18-02-004, p. 53.



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III. <u>CONCLUSION.</u>

CESA respectfully requests that the aforementioned issues be addressed in SDG&E's work plan and data redaction criteria. These changes will be important to ensure that DERs are able to fairly and reasonably compete in distribution deferral solicitations while reasonably guarding for customer privacy and against bad actors who would exploit overly specific distribution grid needs information.

Respectfully submitted,

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cc: Megan Caulson (<u>mcaulson@semprautilities.com</u>)