

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

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013 (Filed August 14, 2014)
And Related Matters.	Application 15-07-002 Application 15-07-003 Application 15-07-006
(NOT CONSOLIDATED)	
In the Matter of the Application of PacifiCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005
And Related Matters.	Application 15-07-007 Application 15-07-008

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE ADMINISTRATIVE LAW JUDGE’S RULING PROVIDING GUIDANCE FOR
THE DISTRIBUTION PLANNING ADVISORY GROUP**

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Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21.	Rulemaking 17-07-007 (Filed July 13, 2017)

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ hereby submits

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, Carbon Solutions Group, Centrica Business Solutions, Consolidated Edison Development, Inc., Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, ElectriQ Power, eMotorWerks, Inc., Enel, Energport, ENGIE, E.ON Climate &

these comments to the *Administrative Law Judge’s Ruling Providing Guidance for the Distribution Planning Advisory Group* (“Ruling”), filed by Administrative Law Judge (“ALJ”) Robert M. Mason on September 4, 2018.

I. INTRODUCTION.

As outlined in the Ruling, which cites Decision (“D.”) 18-02-004, the Distribution Planning Advisory Group (“DPAG”) plays an important role in reviewing the planning assumptions and grid needs reported in the Grid Needs Assessment (“GNA”), reviewing the planned investments and candidate deferral opportunities reported in the Distribution Deferral Opportunity Report (“DDOR”) across the screening criteria (*i.e.*, technical, timing, and financial), and determining the prioritization of candidate deferral projects based on net ratepayer benefits, likelihood of forecasted need materializing, and potential DER marketplace. However, given the outcomes of recent competitive solicitations, the Ruling considers whether the scope of the DPAG should be expanded for this cycle of review of the GNAs and DDORs of each of the investor-owned utilities (“IOUs”).

CESA supports the expanded scope of the DPAG as outlined in the Ruling and agrees that lessons learned from the past Integrated Distributed Energy Resource (“IDER”) pilot solicitations would be valuable to the Commission, IOUs, and distributed energy resource (“DER”) providers

Renewables North America, esVolta, Fluence Energy, GAF, General Electric Company, Greensmith Energy, 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, VRB Energy, Wellhead Electric, and Younicos. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>).

in identifying the appropriate candidate deferral opportunities, which may involve a reassessment of the screening and prioritization criteria. While specifics around the solicitation process such as incrementality and technology-neutral *pro forma* contracts are within the scope of the IDER proceeding, an assessment of the response from DER providers to the IDER pilot solicitations may inform the filtering and selection of candidate deferral opportunities, considering the ability of DER bids to respond to competitive solicitations and the potential robustness of DER offers (*i.e.*, potential DER marketplace) represent key screening criteria at the moment.

II. EXPANDING THE SCOPE OF THE DPAG AS PROPOSED IN THE RULING WOULD BE BENEFICIAL TO INFORM SCREENING AND PRIORITIZATION CRITERIA.

The Ruling highlights several questions for the IOUs to discuss in evaluating the procurement process, including the types of bids, the robustness of bids, and the reasons for unsuccessful solicitations.² CESA agrees that these questions will be important to inform not only the DPAG to identify the most viable candidate deferral opportunities but also the Competitive Solicitation Framework Working Group (“CSFWG”) in structuring the IDER solicitation process for the next cycle of competitive solicitations. Depending on the answer to these questions, the Commission will be informed on whether changes are needed to the screening and prioritization criteria to ensure greater robustness in DER bid response or improved likelihood of DER solutions being selected to defer a traditional capital project, and/or whether changes are needed to the solicitation, bid evaluation, and contracting process to set reasonable parameters for DER solutions that deliver on the identified grid need.

These discussions are important because recent competitive solicitations have found that DER solutions were found to be not cost-effective in the Distributed Resources Plan (“DRP”)

² Ruling, p. 5.

Demo C Request for Offers (“RFO”) for Pacific Gas and Electric Company (“PG&E”) and San Diego Gas and Electric Company (“SDG&E”) as well as in SDG&E’s 2018 IDER Pilot RFO,³ leading to these IOUs to move forward with the traditional capital project in lieu of DER alternatives. In both of SDG&E’s cases, the immediate dispatch requirement for DER solutions may have been one of the main contributors to few viable DER projects being selected,⁴ which would inform the CSFWG to consider changes to contracting terms and provisions to improve the viability of DER solutions without sacrificing the core reliability objective. CESA recognizes that action in response to these findings will likely be addressed in the IDER proceedings.

However, in PG&E’s case, the Commission found that DERs may find it difficult and not cost-effective to defer baseload needs⁵ – a finding that would directly inform the DPAG to screen and select candidate deferral opportunities that would improve the likelihood of success of a competitive solicitation. After all, the timing criterion was added to the screening process to identify opportunities where it would be worthwhile for the IOUs to conduct a solicitation, making it important to identify candidate deferral opportunities where DER solutions have a real chance at being selected. Actions in response to these findings are well within the scope of the DPAG.

Thus, as these recent examples illustrate, an expanded scope to the DPAG in accordance with the Ruling’s proposed questions could greatly inform the screening and selection process in some instances while informing the sourcing mechanism in other instances. In other words,

³ *San Diego Gas & Electric’s Integrated Distributed Energy Resource (IDER) Incentive Pilot Request for Offer (RFO) Bidding Results Pursuant to Decision (D.) 16-12-036 and (R.) E-4898*, Advice Letter 3245-E, issued on July 2, 2018.

⁴ *Resolution E-4934. Approves San Diego Gas & Electric Company’s Advice Letter on Demonstration Project C Requests for Offers Bidding Results Pursuant to Decision 17-02-007 and 17-06-012*, issued on August 13, 2018, pp. 7-8.

⁵ *Resolution E-4941. Approves Pacific Gas and Electric Filing on Distribution Resources Plan Demonstration Project C Request for Offers Results*, issued on August 13, 2018, pp. 6-7.

considering lessons learned from past solicitations is not just a sourcing question but also a planning question as it relates to the Distribution Investment Deferral Framework (“DIDF”).

CESA does not have any additional questions to add to the DPAG’s scope at this time, as the Ruling’s proposed questions should provide sufficient insights. However, the DPAG may wish to also consider how incrementality and bid assessment methodologies affected these solicitations, as reasonable incrementality approaches may potentially allow for greater DER participation in these solicitations and allow for some flexibility on the timing criteria if DERs are allowed to and are fairly compensated for re-purposing its operations to meet the identified grid need. As for the question in the Ruling around the number of meetings needed, CESA finds it difficult to recommend at this time the additional number of meetings to consider the expanded scope, as the nature and content of the discussions may or may not drive the need for more time.

III. CONCLUSION.

CESA appreciates the opportunity to submit these responses to the questions posed in the Ruling and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,



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