

September 8, 2020

CPUC Energy Division Tariff Unit
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Re: Response of the California Energy Storage Alliance to Advice Letter 5918-E of Pacific Gas and Electric Company Regarding Implementation Plan for Community Microgrid Enablement Program in Compliance with D.20-06-017

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) hereby submits this Response to the above-referenced Advice Letter 5918-E of Pacific Gas and Electric Company (“PG&E”), *Implementation Plan for Community Microgrid Enablement Program in Compliance with D.20-06-017* (“Advice Letter”), submitted on August 17, 2020.

I. INTRODUCTION & BACKGROUND.

The Commission issued Decision (“D.”) 20-06-017 on June 17, 2020 that approved PG&E’s proposed Community Microgrid Enablement Program (“CMEP”), which would provide technical support, information and tools, and one-time matching funds for certain “make-ready” upgrades to support the development of community microgrids for vulnerable and disadvantaged communities and customers who are prone to outage events. A series of follow-up implementation questions were posed for PG&E to provide additional implementation details in the above-referenced Advice Letter.¹

CESA is generally supportive of PG&E’s proposed CMEP implementation details. The program will play a key role in supporting the project development and interconnection of microgrid projects in close collaboration with PG&E. The technical support, tools, information, and cost offsets will advance the development of community microgrids in the face of increasing wildfire and outage risks fueled by climate change. PG&E’s Advice Letter appears to address many of the questions posed in D.20-06-017.

¹ D.20-06-017 at 86-87 and Ordering Paragraph (“OP”) 16-17.

In this response, CESA seeks a couple areas of clarification and/or recommended modifications in the CMEP implementation details to better ensure success of the CMEP to develop community microgrids:

- PG&E should communicate and initiate Emergency Events with advanced notice that enable participate in various grid-service programs and contracts in Blue Sky Mode without impeding the ability to provide resiliency in Island Mode.
- PG&E should clarify how the prioritization criteria would be implemented if CMET applications are received on a first-come first-served basis.

II. DISCUSSION.

A. **PG&E should communicate and initiate Emergency Events with advanced notice that enable participate in various grid-service programs and contracts in Blue Sky Mode without impeding the ability to provide resiliency in Island Mode.**

In the proposed Electric Schedule E-CMET, PG&E proposes to allow participation in the California Independent System Operator (“CAISO”) and to allow resources to provide distribution services and/or participate in demand-side management programs during Blue Sky Mode, so long as it does not “impede the ability to enable Island Mode.”² CESA strongly supports the ability of CMEP resources to provide other grid services during Blue Sky Mode, which will enhance the cost-effectiveness of these community microgrids. These additional revenue streams are valuable to increasing their financial viability.

However, the proposed rules leave some level of ambiguity that would benefit from some clarification and/or implementation in practice that would not excessively prohibit resource participation in CAISO markets or other programs and/or take service under other grid-service contracts (*e.g.*, resource adequacy, distribution deferral). For example, many grid services involve day-ahead market bidding/scheduling in the wholesale market (*e.g.*, wholesale energy, resource adequacy obligations) or advanced nominations or commitment of capacity (*e.g.*, demand response programs, distribution deferral contracts), such that the nature of the circumstances leading to Island Mode will determine whether PG&E may interpret such participation as “impeding” its microgrid capabilities. While PG&E does not propose to limit this participation in any way, CESA recommends that this provision in the proposed tariff be applied to accommodate value stacking, such as through advanced notice and communications of potential Emergency Events to enable these resources to prepare for Island Mode. This may entail

² PG&E Advice Letter, Appendix 4: Pro Forma Community Microgrid Enablement Tariff, at 3-4.

“unwinding” their commitments to other grid-service activities, such as by not scheduling in the day-ahead market, notifying counterparties of microgrid activities, or by preparing their resource (*e.g.*, sufficient state of charge for storage) to respond to potential Emergency Events in Island Mode. In sum, a more granular operational approach and solution should be pursued as opposed to outright prohibition.

Finally, PG&E should clarify operational responsibility of CMEP-participating microgrids, where third-party microgrid operators should be allowed to manage the microgrid resources and respond to PG&E communications. It is not entirely clear from the proposed tariff whether PG&E is primarily seeking PG&E owned and operated microgrids based on it retaining sole discretion over Emergency Events.

B. PG&E should clarify how the prioritization criteria would be implemented if CMET applications are received on a first-come first-served basis.

PG&E explains that the CMEP will prioritize enhanced technical support for disadvantaged and vulnerable communities, including through a separate funding bucket for the authorized capital expenditures on the eligible cost offset categories. In addition, PG&E added additional prioritization criteria around the number of critical facilities served, the benefiting scope, and the level of renewable energy used in the community microgrid.³ CESA is supportive of this prioritization criteria in general but finds it unclear on how this prioritization will occur in practice if applications for the cost offset funding are received and approved on a first-come first-served basis. Aside from the funding carve-out for disadvantaged and vulnerable communities, the other prioritization criteria appear to not have much effect if applications can be received and approved on a first-come first-served basis. Cleaner, larger, and/or more complex microgrids, for example, may be disadvantaged in this type of application process since they may take longer time to develop and require multiple customers and vendors to come together. Especially given the limited funds available in the pilot, PG&E should consider short, rolling application windows to enable PG&E’s other proposed prioritization criteria to be applied in application review.

³ PG&E Advice Letter at 13-15.

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III. CONCLUSION.

CESA appreciates the opportunity to submit this response to PG&E's Advice Letter and looks forward to collaborating with the Commission and PG&E on the successful implementation of CMEP.

Respectfully submitted,



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Executive Director
California Energy Storage Alliance

cc: Erik Jacobson, PG&E (PGETariffs@pge.com)
Service list R.19-09-009

