

June 2, 2021

CPUC Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

**Re: Response of the California Energy Storage Alliance to Advice Letter 6193-E  
of Pacific Gas and Electric Company**

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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 6193-E of Pacific Gas and Electric Company (“PG&E”), *Pacific Gas & Electric Company's Proposed Changes to the Technology-Neutral Pro-Forma Contract for IDER Standard Offer Contract Pilot and Prescreening Application for IDER Partnership Pilot* (“Advice Letter”), submitted on May 13, 2021.

## **I. INTRODUCTION & BACKGROUND.**

The Commission issued Decision (“D.”) 21-02-006 on February 11, 2021 that established the Partnership Pilot and the Standard Offer Contract (“SOC”) Pilot to test the use of distributed energy resources (“DER”) distribution deferral tariffs and potentially address challenges with the current Distribution Investment Deferral Framework (“DIDF”) competitive solicitation process.<sup>1</sup> Pursuant to Ordering Paragraph (“OP”) 7 and 13 of D.21-02-006, the investor-owned utilities (“IOUs”) were directed to submit Tier 2 Advice Letters detailing the elements of the prescreening application as well as changes to the technology-neutral pro forma (“TNPF”) contract. Workshops were subsequently held on April 12 and 16 to discuss the IOUs’ initial proposals to this end. CESA participated and appreciated the IOUs’ consideration of our feedback on the initial proposals.

In reviewing the Advice Letter, CESA provides this limited response recommending the modification and clarification of PG&E’s proposed Experience criterion. Specifically, PG&E would require applicants to attest that the applicant and/or team member has completed at least one project of the selected DER technologies with a capacity of at least 1 MW.<sup>2</sup> However, given the focus of the Partnership Pilot on behind-the-meter (“BTM”) resources, this pass/fail criterion could present barriers to participation in the pilot when the prescreening process is intended to ascertain the

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<sup>1</sup> D.21-02-006 at Finding of Fact (“FOF”) 33-35.

<sup>2</sup> PG&E Advice Letter at 3-4.

experience of DER providers in general terms.<sup>3</sup> Other than this modification and change, elaborated further below, CESA does not find major issue with other proposed prescreening criteria or with the TPNF contract modifications. While additional changes could be raised and would be preferred, this one Experience criterion represents our most significant concern with the proposed criteria.

## II. DISCUSSION.

In its Advice Letter, PG&E cites how this criterion is a standard requirement of their procurement solicitations.<sup>4</sup> However, there are three key reasons why this prescreening criterion could pose barriers to DER provider participation, unless clarified and modified.

First, as a sourcing mechanism targeting BTM resources only, the 1-MW experience requirement could pose a barrier to new market entrants as well as DER providers who develop relatively small projects, such as small residential energy storage systems that are typically sized at or below 10 kW per customer site. Recognizing the small size of any individual project, many DER programs and policies have exemptions or accommodations in place (*e.g.*, demand response, Self-Generation Incentive Program). Granted, CESA acknowledges and supports PG&E's approach to ensure that at least one team member has experience in developing projects of at least 1 MW in size. However, as discussed below, there are a couple additional concerns with the criterion, as proposed in the Advice Letter.

Second, considering some distribution deferral opportunities involve relatively small distribution capacity needs, sometimes less than 1 MW in need, it is unclear if setting this capacity-related experience threshold is necessary. For example, in PG&E's 2021 DIDF Request for Offer ("RFO"), two out of three locations for the San Miguel Bank 2 candidate involve grid needs of 0.94 MW and 0.53 MW, respectively.<sup>5</sup> Similarly, in the DIDF cycle before, PG&E's 2020 DIDF RFO included the FMC 1102 candidate deferral requiring 0.8 MW of DER capacity.<sup>6</sup> Furthermore, any candidate deferral may not be met entirely by a single DER provider, making the 1-MW threshold arbitrary and less applicable to a sourcing mechanism targeted toward BTM resources only.

Third, notwithstanding the above two concerns, PG&E's proposed criterion references "projects" that is unclear and requires clarification. The prescreening criteria and the Partnership Pilot in general is targeted toward DER aggregators, where a 1-MW experience threshold could inadvertently screen out viable aggregators who have successful experience in aggregating more than 1 MW in capacity but the individual DER project at any given customer site within the aggregation do not exceed 1 MW. To address this, CESA recommends that the capacity-related experience threshold be eliminated altogether, focusing instead on DER technology-related

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<sup>3</sup> *Ibid* at FOF 75.

<sup>4</sup> PG&E Advice Letter at 3-4.

<sup>5</sup> See PG&E Advice 6002-E submitted on November 16, 2020 at 9. While deferring two out of three locations would not defer the planned traditional investment, it highlights how certain grid needs may be modest or small in nature.

<sup>6</sup> See PG&E Advice 5688-E submitted on November 15, 2019 at 10.

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experience. At minimum, the language should be modified to replace “project” with “project or contract” if the capacity-related experience threshold is maintained.

Overall, this issue may be seemingly minor in nature and may not screen out viable DER providers, depending on the distribution deferral opportunity and/or the characteristics of market participants, but this specific criterion could be improved without working against the intent of the prescreening criteria to assess DER providers’ experience and capabilities in general terms.

### **III. CONCLUSION.**

CESA appreciates the opportunity to submit this response on PG&E’s Advice Letter and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,



Jin Noh  
Policy Director  
**California Energy Storage Alliance**

cc: Sidney Dietz c/o Megan Lawson, PG&E ([PGETariffs@pge.com](mailto:PGETariffs@pge.com))  
Service lists R.14-08-013 and R.14-10-003