

April 21, 2022

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Re: Comments of the California Energy Storage Alliance to Resolution E-5194: San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE) Joint Utility Evaluation Process to Assess Microgrid Isolation Technologies Pursuant to Decision (D.) 21-01-018

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) hereby submits these comments to the above-referenced Draft Resolution E-5194 (“Draft Resolution”) issued on April 1, 2022, approving with modifications Advice Letter 3734-E-B of San Diego Gas and Electric Company (“SDG&E”), Advice Letter 6153-E-B of Pacific Gas and Electric Company (“PG&E”), and Advice Letter 4462-E-B of Southern California Edison Company (“SCE”), submitted on August 25, 2021 pursuant to Decision (“D.”) 21-01-018.

I. INTRODUCTION & SUMMARY.

Track 2 of the Microgrids proceeding (R.19-09-009) adopted a number of proposals to continue implementation of Senate Bill (“SB”) 1339, which directed the Commission to reduce barriers to microgrid development that ensures safety and reliability. With the issuance of D.21-01-018 on January 21, 2021, the Commission adopted Proposal 5 Option 2 in Track 2 of the Microgrids proceeding (R.19-09-009) that would direct the IOUs to develop a pathway for a broad range of technologies to support electrical isolation of a premises’ electrical service during a grid outage. Rather than prescribing one pathway or limiting the scope to a pilot program, D.21-01-018 opted to establish a flexible approach that encourages innovation and the widespread use of electrical isolation technologies.¹ CESA lauded the Commission at the time and continues to support the use of electrical isolation technologies as a means to enabling resiliency functionality using low-cost technologies. However, as expressed in joint protests with the Microgrid Resources Coalition (“MRC”), CESA found the Second Supplemental Advice Letters submitted by the investor-owned utilities (“IOUs”) to only include a few positive changes to parts of the process

¹ D.21-01-018 at 76.

and timeline, but on the most part, maintaining their original proposal to evaluate and approve the use of new isolation technologies in a timely manner.

In light of these concerns, CESA appreciates some of the clarifications and changes made to the process in Draft Resolution E-5194, such as the affirmation that utility ownership is not imperative or a prerequisite to the approval of electrical isolation devices and that the IOU must demonstrate a clear safety need for requiring utility ownership.² Similarly, CESA sees positive developments in requiring the IOU to define criteria and justify the need for any additional testing requirements and in allowing *ad hoc* bilateral negotiations for mature or simple technologies.³ Despite these incremental improvements, CESA finds the process proposed for adoption in the Draft Resolution to still be highly problematic and unclear in many different areas. Specifically, our comments and recommendations can be summarized as follows:

- The process should rely on applicable standards for isolation technologies as determined by Nationally Recognized Testing Laboratories (“NRTLs”).
- The IOUs should be required to submit a final evaluation report for any technologies subject to the adopted process in order to ensure accountability.
- The adopted timelines should clarify that the entire evaluation process must be completed within the 90-day timeframe.
- Workforce safety considerations should be independent of the device approval process.

II. COMMENTS.

Overall, CESA identifies many areas of concerns regarding the Draft Resolution, as discussed further below. In addition to these specific areas, CESA also finds significant areas of ambiguity around areas that the Draft Resolution does not address, such as around the IOUs’ proposed use of test and evaluation agreements that are applicable for pilot programs to apply to individual technologies, as well as various legal issues, customer service matters, and commercial and manufacturing availability considerations that the IOUs raised as part of their overall proposed process – elements that the Joint Parties either opposed or found to be out of scope. By not addressing these matters in the Draft Resolution, CESA presumes that the Commission deems the Second Supplemental Advice Letters to be approved, except for the few areas in the Draft Resolution where the Commission provided additional direction, explanation, and/or modification.

Without a comprehensive discussion of the matters in the Joint Parties’ protest and the opportunity to provide further feedback, input, or resolution of the overall process, CESA has

² Draft Resolution E-5194 at 18-19.

³ *Ibid* at 12 and 17.

concerns that the IOUs have great latitude to adopt the findings made in the Draft Resolution, such as around key definitions and criteria that determine the scope of the process, evaluation criteria, and implementation considerations. To this end, CESA recommends that the Commission not only make significant modifications, as outlined below, but also to require a Tier 2 advice letter process of the determinations made in the Draft Resolution to ensure fair and reasonable compliance.

1. The process should rely on applicable standards for isolation technologies as determined by NRTLs.

In determining the scope of the IOUs' proposed process and the applicability of standards from NRTLs, the Commission determined that the process is *expected* to apply to "emerging" or "more complex" electrical isolation technologies and that nothing requires the IOUs to accept without question a NRTL's determination of applicable standards.⁴ CESA finds major flaws with this determination for two key reasons.

First, through the Draft Resolution, the Commission would essentially allow the IOUs to second-guess the NRTL certification and listing process, thereby undermining the very purpose of NRTLs as an independent third-party organization recognized by the Occupational Safety & Health Administration ("OSHA") to provide evaluation, testing and certification based on applicable standards developed by Standards Development Organizations ("SDO"). In other words, the NRTL should maintain the exclusive role of determining which standards are relevant for the safe and reliable use of electrical isolation devices. However, the Draft Resolution establishes an unclear and unenforceable means by which the IOUs could question or define their own set of standards for the approval of electrical isolation devices, raising a concerning precedent for all matters of electrical interconnection and other areas where the NRTL should play this role.

CESA is very concerned that this approach undercuts one of the primary benefits the existing NRTL listing process provides, namely enabling technology developers to rely on a single nationally-recognized authority to assess and validate a technology products' safety rather than having to design products to meet a patchwork of bespoke requirements promulgated by different utilities. It is not hard to envision a situation under the framework approved by the Draft Resolution where each IOU unilaterally decides that a different set of standards are applicable to a given technology. This would, in turn, result in a technology vendor having to design their product to three different sets of standards. This is not to say that utilities should not be allowed to test a device to ensure it does not adversely impact the utility's operations (*e.g.*, interoperability with utility metering), but those types of issues are quite distinct from allowing a utility to be the ultimate *de facto* authority regarding what nationally-recognized standards should apply to a device – something that is unambiguously in the bailiwick of the NRTLs.

⁴ *Ibid* at 12 and 16.

Second, the definition and distinctions between emerging/complex and mature technologies are not clear, such that it leaves considerable discretion at the hands of the IOUs to determine when the evaluation process would apply and thus when the IOUs can second-guess the applicability of standards. Even if an applicant can assert the “maturity” of the electrical isolation technology, there is no definition or criteria to guide or direct the IOUs in making these determinations, nor any recourse for the applicant if one is in disagreement with the IOUs’ determinations. Though the Draft Resolution intends to clarify the scope to not apply to mature technologies, such as how it applies to automatic transfer switches (“ATS”), it does not define the criteria by which the IOU should make this determination in all other cases, making this assessment subjective and at the discretion of the IOUs. In the example that the Draft Resolution cites as well, the Commission implies that whether an ATS is “novel” or “emerging” depends on form factor in citing UL 1008, which appears to CESA as arbitrary. Especially as ATS devices are classified as electrical isolation devices for the purposes of this process, the Draft Resolution only serves to complicate and confuse whether, where, and how ATS devices will actually be assessed for its use on the electrical grid.

Rather than creating an efficient and rational process by which electrical isolation devices can be approved for use, the Draft Resolution frustrates and complicates this process. As an alternative, CESA urges the Commission to adopt the NRTL checklist review process recommended in the Joint Parties’ protest to the Second Supplemental Advice Letters.⁵ The merits of this approach were not addressed in the Draft Resolution, but we continue to believe that the Commission should adopt this alternative process in making significant revisions to the current Draft Resolution.

2. The IOUs should be required to submit a final evaluation report for any technologies subject to the adopted process in order to ensure accountability.

Given the significant discretion being afforded to the IOUs in the evaluation and approval process, CESA believes that the Draft Resolution must be modified to incorporate greater accountability and oversight measures by Energy Division. Regardless of whether the Commission-modified or Joint Parties’ alternative approach is adopted, CESA recommends that the process be modified to include one additional step: the IOUs should be required to submit a final evaluation report to Energy Division that provides a detailed summary of whether or not a device was approved for use and if not, provide reasons for rejecting its use.

⁵ *Protest of the California Energy Storage Alliance and Microgrid Resources Coalition to Supplemental Advice Letter 3734-E-A, et al. of the Joint Utilities* submitted on August 30, 2021 at 10-11. The protest can also be found [here](#).

3. The adopted timelines should clarify that the entire evaluation process must be completed within the 90-day timeframe.

CESA appreciates the Commission’s direction that simple evaluations should be completed as expeditiously as possible,⁶ but the timelines for more complex evaluations should be further clarified to avoid open-ended timelines and eliminate any ambiguity. The Commission appropriately explain that the protestors’ concerns about extended timelines to complete evaluations are not wholly without merit, but the adopted process would be strengthened by explicitly clarifying that the entire process, not just the evaluation but also inclusive of the IOU lab testing, functional testing, and field pilot, as outlined in the IOUs’ Attachment A, if undertaken, should be completed within 90 days. Such clarifications would eliminate ambiguity and avoid the risk of adopting a process that, in CESA’s estimate, could take 9months or longer to run to completion – an unacceptable outcome.

4. Workforce safety considerations should be independent of the device approval process.

While the Commission makes distinctions between operational safety standards and product safety standards in the Draft Resolution,⁷ workforce safety considerations are still included in the process proposed for adoption, such as in including California Code of Regulation Title 8 sections 2940.13 and 2940.14 in the IOUs’ Attachment A. However, in line with the Commission’s explanation, CESA does not believe that these additional “standards” are applicable for the purposes of this process, which are intended to evaluate electrical isolation devices and approve them for use. This process is intended to apply to technologies, not operations or coordination activities – a responsibility that should fall on the IOUs, not the device provider. While CESA agrees with workforce safety and supports ensuring that frontline electrical workers are involved in the evaluation, these implementation considerations should not be included in a device approval process. Like with any operational agreements or issues, workforce safety considerations and/or training should be follow-on activities upon the approval of electrical isolation devices.

⁶ Draft Resolution E-5194 at 17-18.

⁷ Draft Resolution E-5194 at 13.

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III. CONCLUSION.

CESA appreciates the opportunity to submit these comments to Draft Resolution E-5194 and looks forward to collaborating with the Commission and the IOUs.

Respectfully submitted,



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Service lists R.17-07-007 and R.19-09-009