

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

Application of Pacific Gas and Electric  
Company (U 39 E) Proposing Framework for  
Substation Microgrid Solutions to Mitigate  
Public Safety Power Shutoffs.

Application 21-06-022  
(Filed June 30, 2021)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE  
PROPOSED DECISION ADOPTING A FRAMEWORK FOR SUBSTATION  
MICROGRID RESILIENCY SOLUTIONS TO MITIGATE PUBLIC SAFETY POWER  
SHUTOFFS FOR PACIFIC GAS AND ELECTRIC COMPANY**

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October 19, 2022

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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”) hereby submits these comments on the *Proposed Decision Adopting a Framework for Substation Microgrid Resiliency Solutions to Mitigate Public Safety Power Shutoffs for Pacific Gas and Electric Company* (“PD”) issued by Administrative Law Judge (“ALJ”) Colin Rizzo on September 29, 2022.

**I. INTRODUCTION.**

In this PD, the Commission largely adopts this framework as Pacific Gas and Electric (“PG&E”) originally proposed in its Application, including the 10-year Historical Lookback Analysis (“HLA”) and the threshold for consideration for microgrid solutions, looking at substations that have experienced 10 or more direct Public Safety Power Shutoff (“PSPS”) events with 100 or more safe-to-energize (“STE”) customers. In the absence of any framework at all, CESA generally supports the Commission’s proposal to adopt a framework for PG&E to procure substation-level microgrids to mitigate PSPS events. The establishment of this framework will help PG&E reduce their default reliance on diesel generation to provide power during PSPS events

and transition to clean generation and/or substation-level microgrid solutions. Compared to the original framework, the incremental modifications made in the PD are improvements, particularly the requirement for qualitative assessments of blue-sky services that can be provided by the microgrid solutions submitted in bids. However, CESA still sees improvements that can be made to this process, and offers the following comments on the PD:

- Parties should be able to review the underlying modeling and alternatives analysis results if PG&E does not plan to release a competitive solicitation for a given year.
- PG&E should be directed to provide the Aggregate PSPS Consequence Score for all substations screened and assessed in this framework on an information-only basis to better inform prioritization for microgrid solutions.
- Procurement approval should be pursued using a Tier 3 Advice Letter, but if the PD is maintained, any Applications for approval of multi-season microgrid solutions should be as streamlined as possible given that this framework is an established process.

**II. PARTIES SHOULD BE ABLE TO REVIEW THE UNDERLYING MODELING AND ALTERNATIVES ANALYSIS RESULTS IF PG&E DOES NOT PLAN TO RELEASE A COMPETITIVE SOLICITATION FOR A GIVEN YEAR.**

In PG&E’s original framework, filings would be submitted to the Commission only if this framework leads to successful procurement and PG&E has specific microgrid investments and contracts necessitating Commission approval. However, the Marin Clean Energy and Sonoma Clean Power Authority (jointly the “Joint CCAs”) recommended that PG&E annually submit an Advice Letter with the candidate substation prioritization and alternatives analysis, outlining

whether they plan on releasing any Requests for Offers (“RFO”) for a microgrid solution.<sup>1</sup> If PG&E conducts an RFO for a microgrid solution, they would then submit a second Advice Letter for the proposed microgrid solutions for procurement.<sup>2</sup> In our Reply Brief, CESA largely supported this recommendation, suggesting that a Tier 2 Advice Letter be submitted to the Commission if PG&E does not plan on procuring any microgrid solutions.

The PD seems to adopt this recommendation, ordering PG&E to “file the relevant results from each new iteration of its 10-year Historical Lookback Analysis, when reasonably available, via Compliance Filing with the Energy Division.”<sup>3</sup> However there is little discussion of what this Compliance Filing will look like or what “relevant results” should be included. CESA continues to recommend the submission of a Tier 2 Advice Letter with the details of the HLA, which we envision to be similar to a combination of PG&E’s 10-Year Historical Lookback 2021 Update Supplemental Testimony (PGE-003) and PG&E’s Long-Term Procurement Framework for Generation to Mitigate Public Safety Power Shutoffs – Substation Safety Information Supplemental Testimony (PGE-004) submitted in this proceeding. This includes:

- Changes in the HLA methodology from the previous year, including updates to weather data, conditions modeling (vegetation, asset conditions, wildfire behavior), and PSPS protocols
- Full HLA lookback dataset with all modeled PSPS-impacted substations
- Characteristics of candidate substations that pass the screening threshold (10+ modeled PSPS events with 100+ STE customers)

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<sup>1</sup> Joint CCAs Opening Brief at 9.

<sup>2</sup> Ibid.

<sup>3</sup> PD at Ordering Paragraph 1.

- Alternatives analysis for each candidate substation

As an imperfect framework, inter-year changes are expected and necessary for continuous improvement. For example, CESA and other parties have advocated for the inclusion of forward-looking weather forecasts to better incorporate the impacts of climate change on PSPS risk. In response, the Commission directs PG&E to work with national labs and universities to integrate “emerging science and data”<sup>4</sup> on future weather into the HLA “as it becomes available.”<sup>5</sup> Updates on PG&E’s incorporation of improved data should be explicitly discussed in the compliance filing.

If PG&E submits a microgrid for procurement, CESA anticipates that PG&E will include this information in the respective Advice Letters or Applications for approval of the specific project. Therefore, a duplicative Advice Letter before the release of an RFO may not be necessary.

**III. PG&E SHOULD BE DIRECTED TO PROVIDE THE AGGREGATE PSPS CONSEQUENCE SCORE FOR ALL SUBSTATIONS SCREENED AND ASSESSED IN THIS FRAMEWORK ON AN INFORMATION-ONLY BASIS TO BETTER INFORM PRIORITIZATION FOR MICROGRID SOLUTIONS.**

Although having such a framework in place is better than nothing at all, leading to our general support for the PD, CESA still believes that the incremental modifications to the original framework are insufficient to identify where substation-level microgrid solutions may be needed. In short, as CESA’s and other’s testimony and briefs explained, the HLA methodology and the 10/100 thresholds are flawed, which are backwards looking, does not apply greater weights to recent events, and does not accurately capture more nuanced considerations and detailed impact of PSPS events in terms of magnitude and frequency.<sup>6</sup> By contrast, the Alternative Prioritization

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<sup>4</sup> PD at 18.

<sup>5</sup> Ibid.

<sup>6</sup> A variety of parties commented on the flaws in the HLA. *See e.g.*, CESA Opening Brief at 3-4, Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”) Opening Brief at 34-38, Joint CCAs Opening Brief at 5-6, TURN-001 at p.7.

Metric, the Aggregate PSPS Consequence Score, was proposed by PG&E itself in rebuttal testimony and more explicitly incorporated other aspects of PSPS consequence such as projected number of customers impacted and PSPS duration, among other things.<sup>7</sup> The Commission rejected the Aggregate PSPS Consequence Score because of the lack of a clear threshold for when mitigation is reasonable and since the alternative methodology does not account for the cost of mitigation as prioritization.<sup>8</sup> In briefs, The Utility Reform Network (“TURN”) requested technical workshops to consider, among other things, these very questions.<sup>9</sup>

Given its potential advantages and the arbitrary nature and flaws of the current HLA and 10/100 threshold, CESA still recommends the use of the alternative method on an information-only and qualitative basis, even if it will not be used for the actual selection of substations for microgrid consideration. Use of the alternative method in this way will highlight where and when the current HLA method and 10/100 threshold may be overlooking sites where a microgrid solution could represent a viable and/or needed alternative to mitigate the impacts of PSPS events. Its use on an information-only basis may also inform in the future whether the Commission may see value in modifying the framework to use this alternative method while increasing familiarity with it among the Commission and stakeholders.

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<sup>7</sup> See PGE-005 at p.2-2, lines 20-23 explaining the PSPS Consequence Score: “This approach would explicitly incorporate other aspects of PSPS consequence such as projected number of customers impacted, PSPS duration, and may also, in the near-future, consider unique weighing by customer type.”

<sup>8</sup> PD at 14-15.

<sup>9</sup> TURN Opening Brief at 13-14.

**IV. PROCUREMENT APPROVAL SHOULD BE PURSUED USING A TIER 3 ADVICE LETTER, BUT IF THE PD IS MAINTAINED, ANY APPLICATIONS FOR APPROVAL OF MULTI-SEASON MICROGRID SOLUTIONS SHOULD BE AS STREAMLINED AS POSSIBLE GIVEN THAT THIS FRAMEWORK IS AN ESTABLISHED PROCESS.**

Approval procedures for procurements that emerge from this framework have been an item of disagreement among stakeholders in this proceeding. In its framework, PG&E proposes to have procurement approved via Tier 2 and Tier 3 Advice Letters depending on whether cost thresholds are exceeded. On the other hand, Cal Advocates<sup>10</sup> and TURN<sup>11</sup> called for PG&E to submit formal applications for all procurements of clean microgrids, each time an investment is proposed. In this PD, the Commission proposes to approve single-season microgrids via Tier 2 Advice Letters, given “the critical need to keep the lights on to preserve community continuity.”<sup>12</sup> Multi-season, clean microgrid projects, however, would be reviewed and approved via Application.<sup>13</sup>

CESA still believes that the Advice Letter process is appropriate for the approval of all microgrids procured via this framework. Requiring PG&E to formally open an application for multi-season solutions and formally engage with parties will very likely lead to delays and increased reliance on single-season solutions that can be approved via Advice Letters. On top of the length of applications themselves (anywhere between 12-18 months from our experience in participating in Application proceedings), CESA anticipates that delays may be experienced in the procurement and construction of the first microgrids that are procured via this process. PG&E is currently in the process of procuring a clean substation microgrid for the Calistoga Substation. The Clean Substation Microgrid (“CSM”) RFO closed in January 2022 and participants were

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<sup>10</sup> See Cal Advocates Opening Brief at 20-22.

<sup>11</sup> See TURN Opening Brief at 20-22.

<sup>12</sup> PD at 45.

<sup>13</sup> Ibid.

shortlisted in February 2022. Originally, PG&E was supposed to file an Advice Letter for approval of an executed agreement in April, but negotiations have continued, and PG&E has now filed for two extensions and is aiming to submit executed contracts for approval in December of this year.<sup>14</sup>

Given that delays may be faced on multiple ends of this procurement, CESA recommends that the Commission balance regulatory review processes with the need for timely deployment of solutions. An Application process does not support these ends, whereas a Tier 3 Advice Letter and Resolution process strikes the right balance. One of the very benefits of having a framework in place is to provide the upfront criteria and guidance to assess and pursue microgrid solutions, which should serve to help streamline review needs and timelines. However, if the PD is not revised to these ends, CESA recommends expedite application processes and approvals as much as possible for multi-season solutions.

## V. CONCLUSION.

CESA appreciates the opportunity to submit these comments and looks forward to collaborating with the Commission and stakeholders in this proceeding. While the Commission does not adopt some of our preferred elements in the framework, we also recognize the need to not allow “perfect be the enemy” as further time lapses in framework development only leads to further gaps in getting potential microgrid solutions identified and deployed. Yet, we still urge the Commission to consider our recommended modifications above.

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<sup>14</sup> PG&E Advice 6667-E, “Request for Approval of PG&E’s Pending Extension Request to Develop a Clean Substation Microgrid Project.”



Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jin Noh', written in a cursive style.

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**CALIFORNIA ENERGY STORAGE ALLIANCE**

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