

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

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-Generation
Incentive Program and Other Distributed
Generation Issues

Rulemaking 12-11-005
(Filed November 8, 2012)

**COMMENTS OF THE CLIMATE CENTER ON COMMISSIONER
RECHTSCHAFFEN'S PROPOSED DECISION RE
SELF-GENERATION INCENTIVE PROGRAM REVISIONS PURSUANT TO
SENATE BILL 700 AND OTHER PROGRAM CHANGES**

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I. INTRODUCTION

In accordance with Rule 6.2 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), The Climate Center (“Center”) respectfully submits the following comments on Commissioner Rechtschaffen’s Proposed Decision Re Self Generation Incentive Program Revisions Pursuant to SB 700 and Other Program Changes. The Center appreciates the opportunity to submit comments on the SGIP Proposed Decision. The Center recommends that the final decision (1) create a new budget category as a subset of SGIP marketing, education and outreach (ME&O) administrative expenses to support local governments and CCAs in completing local government energy resilience planning, and (2) specify straightforward procedures whereby CCAs and local governments in their service areas can apply for and receive these funds and access needed utility infrastructure and planning data.

II. LOCAL GOVERNMENTS AND CCAS SHOULD DEVELOP LOCAL ENERGY RESILIENCE PLANS FUNDED THROUGH THE SGIP ME&O BUDGET.

In order to increase awareness of available SGIP incentives, the CPUC established administrative expenses for Marketing, Education, and Outreach (ME&O) and directed IOUs to develop ME&O plans. The Center recommends that SGIP ME&O funds be specifically allocated to support local governments and CCAs in developing local energy resilience planning to facilitate the Commission's recommendation in the September 2019 SGIP Decision directing Program Administrators to:

“take specific steps to rapidly reach equity budget customers with critical resiliency needs to ensure that such customers receive the information they need to utilize SGIP incentives and to appropriately and strategically collaborate with local governments and others to prioritize outreach efforts.”¹

The Center strongly supports this directive. Local energy resilience plans are essential to help communities proactively plan for deployment of local clean energy generation and storage resources at critical facilities in order to prepare for power outages.

Local governments and CCAs are ideally positioned to develop energy resilience plans for their jurisdictions and service areas and deploy distributed energy resources (DERs) via the SGIP. Effective local energy resilience planning entails identifying those customers most vulnerable to power system disruptions and those facilities needed to provide essential services when power system disruptions occur, and optimally locating local clean generation, storage, EV charging infrastructure and islandable microgrids from a coordinated, holistic perspective -- as opposed to each individual facility only considering limited possibilities within its particular site parameters. Aligned with California's policy goals, local energy resilience plans can address various aspects of decarbonization, resilience, and equity, depending on local capabilities and priorities, demographics, and geography.

¹ See page 57 of Decision 19-09-027, September 12, 2019, Rulemaking 12-11-005

Local solar and storage systems, through the use of smart controls, can be integrated to optimize value both to the grid operator and the customer, and can deliver resilience to critical facilities such as health care facilities, fire and police stations, schools and other public evacuation centers, grocery stores and water and waste facilities. During normal grid operation, these systems can lower costs for all residents by reducing the need for carbon-intensive and expensive electricity at peak demand times.

This resilience planning strategy has already been outlined in the State’s latest draft Integrated Energy Policy Report², which included the following recommendation:

“Identify resources needed to support enhanced technology and knowledge transfer between local jurisdictions and utilities to reduce emissions and enhance resilience. As noted in the August 8, 2019, IEPR workshop on Climate Adaptation in California’s Energy Sector, local jurisdictions face several challenges in planning for energy sector resilience. The California Energy Commission, in partnership with the Integrated Climate Adaptation and Resilience Program, should work to develop guidance and resources to support successful engagement of local government and utility stakeholders in energy sector resilience planning. Guidance and resources should align with state priorities and goals, identify replicable examples, and leverage lessons learned from prior launches of innovative technologies.”

A similar concept was also suggested previously in the SGIP proceeding by Vote Solar in comments filed in August of 2019:³

A Portion of Unused Accumulated Administrative Funds Should be Targeted to Local Government for Improving Local Energy Resiliency Planning

It has been noted by many parties that lack of awareness of the SGIP program has limited customer participation. Changes to the program eligibility criteria in the PD would permit participation from a broad spectrum of critical resiliency need customers including police stations, fire stations, hospitals, skilled nursing facilities, nursing homes, blood banks, dialysis centers, hospice facilities, water, wastewater and flood control facilities, jails, prisons, cooling centers, homeless shelters and facilities that provide assistance during PSPS events. It is very possible that participation will be somewhat haphazard and that facilities with the greatest needs may be overlooked. At the same time, the PD notes at page 78 that approximately \$70.3 million remains in accumulated unused administrative funds.

Vote Solar suggests that the Commission establish a pilot program by Program Administrators to help local governments assess the resiliency needs of their local critical facilities and start planning

² See page 134 of the draft IEPR available at <https://efiling.energy.ca.gov/getdocument.aspx?tn=230539>

³ See text starting on page 7 of August 29, 2019 comments submitted by Vote Solar: “Comments of Vote Solar on the Proposed Decision on the Equity Resiliency Budget” in Rulemaking 12-11-005

power systems of different configurations that can operate as electrical islands, e.g., an individual building, or an entire campus that does not rely on utility services upstream of the point of interconnection, to enable a critical facility such as a hospital or emergency shelter to operate off-grid. A microgrid can also serve a larger community by coordinating the operation of multiple single facilities and utility-side DERs to sustain electric service over one or more distribution circuits on the grid. This effort would seek to accelerate what some California local governments are already doing to plan and implement local microgrid projects (including Oakland, Marin, Calistoga, Humboldt County, and Santa Barbara).

Without integrated planning, there is a danger that local governments and critical facilities will proceed with PSPS planning in isolation from an understanding of local grid capabilities and constraints, and without working in concert with the broader community. For optimal local resilience planning, it makes sense to utilize the largest and most optimal spaces within communities to generate and store energy locally, rewarding property owners as appropriate.

The Commission should fund a program to help local governments and CCAs assess the resiliency needs of their communities and service areas, identify critical facilities and vulnerable customers and start planning microgrid systems that will allow such facilities to operate independently during power outages. This program would be a logical follow-up to presentations regarding community microgrids at the Commission's December 12th workshop on microgrids pursuant to SB 1339, and developing procedures to implement the program would be an appropriate item for discussion at the Commission's upcoming SGIP ME&O workshop on January 14th.

Absent SGIP support for development of local energy resilience plans by CCAs and local governments, SGIP program participation may be haphazard and sub-optimal from a community resilience and/or grid operations perspective, and many communities and citizens with the greatest needs will likely be overlooked.

CONCLUSION

The Climate Center appreciates the opportunity to submit these comments on the Proposed Decision and looks forward to continuing to work with the Commission and stakeholders in this proceeding.

Respectfully submitted,

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