

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

Order Instituting Rulemaking Regarding
Microgrids Pursuant to Senate Bill 1339 and
Resiliency Strategies

Rulemaking 19-09-009
(Filed September 12, 2019)

JOINT PARTIES NOTICE OF EX PARTE MEETING

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JOINT PARTIES NOTICE OF EX PARTE MEETING

In accordance with Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Joint Parties and interested organizations¹ hereby give notice of the following ex parte communication in the above-captioned proceeding. The communication occurred via Webex video conference on Wednesday, September 9, 2020 and lasted approximately 37 minutes.

The ex parte communication occurred between Advisor Joshua Huneycutt from President Batjer’s Office and the following representatives from the Joint Parties and interested organizations: Allie Detrio of the Microgrid Resources Coalition & Reimagine Power, Baird Brown of the Microgrid Resource Coalition, Kurt Johnson of the Climate Center, Joseph Wiedman of Peninsula Clean Energy, Jana Kopyciok-Lande of Marin Clean Energy, Neal Reardon of

¹ The Joint Parties consist of the following organizations: Microgrid Resources Coalition, The Climate Center, Peninsula Clean Energy, Marin Clean Energy, Sonoma Clean Power, East Bay Community Energy, 350 Bay Area, Local Government Sustainable Energy Coalition, GRID Alternatives, California Efficiency & Demand Management Council, Bioenergy Association of California, California Energy Storage Alliance, California Solar & Storage Association, National Fuel Cell Research Center, Solar Energy Industries Association, Clean Coalition, Green Hydrogen Coalition, ENGIE, Enel North America
Interested organizations that are not parties to the proceeding include: California Alliance for Community Energy, Resilience Plus, Indivisible Green Team California, Reimagine Power, Lorenzo Kristov, Chuck Roselle

Sonoma Clean Power, Samantha Weaver of East Bay Community Energy, Ken Jones of 350 Bay Area, Erika Morgan of the California Alliance for Community Energy, Marc Costa, Jennifer Berg and Demian Hardman of the Local Government Sustainable Energy Coalition, Stephen Campbell of GRID Alternatives, Jennifer Tanner of Indivisible Green Team California, April Rose Maurath Sommer of the Wild Tree Foundation, Serj Berelson and Greg Wikler of the California Efficiency & Demand Management Council, Julia Levin of the Bioenergy Association of California, Jin Noh of the California Energy Storage Alliance, Scott Murtishaw of the California Solar & Storage Association, Jack Brouwer of the National Fuel Cell Research Center, Rick Umoff of the Solar Energy Industries Association, Zack Woogen of the Green Hydrogen Coalition, Ben Schwartz of the Clean Coalition, Walker Wright of ENGIE, Marc Monbouquette of Enel North America, Carol Denning of Resilience Plus, Lorenzo Kristov, independent consultant and former CAISO employee, and Chuck Roselle, a concerned citizen and ratepayer.

The Joint Parties and interested organizations urged the Commission to reprioritize creating a new, separate tariff and rate schedule(s) for microgrids as called for by SB 1339 and further clarified by additional letters from the legislature (attached hereto). The Commission should focus the rest of the year on creating a single customer microgrid tariff with a process for stakeholder input. Issuing a Proposed Decision by December 1, 2020 with a draft single customer microgrid tariff will allow the Commission to meet the statutory deadline to facilitate the commercialization of microgrids. The PD with the draft tariff can be commented on by parties in December and a final tariff approved in January 2021 for immediate implementation. The parties further urged that the Commission develop a process and schedule for developing multi-customer microgrid tariffs that would be completed in the first half of 2021. A proposal that establishes a process and timeline for the Commission to commence microgrid tariff development is attached.

25 different stakeholder organizations that represent a wide diversity of public interests are all respectfully requesting and strongly encouraging the Commission to focus on its statutory mandate to facilitate the commercialization of microgrids. The legislature has sent multiple letters clarifying and directing the Commission to create the new, separate rates and tariffs for microgrids that is called for in SB 1339. The Commission needs to listen to the public and the legislature. All the stakeholder organizations that attended the meeting agree on the urgent need for and support the development of new microgrid tariffs for customers and communities. Below and attached are a few of the comments made during the meeting.

Local Government Sustainable Energy Coalition: *Local Governments, by definition, serve constituents. The CPUC should err on the side of tariffs that don't disincentivize local governments to install clean, renewable, resilient energy systems (departing load charges, interconnection costs, etc.). How many cooling centers did we need last week? How critical are fire stations right now? Creating tariffs that enable shared community action through local governments is a good thing. The Commission should keep this in mind.*

350 Bay Area: *Microgrids help move us to the modernized, more flexible grid that President Batjer has said we need to move toward. Microgrids can really help us with our climate goals and with focused community resilience if battery storage and clean backup power are incentivized in a general microgrid tariff. That tariff needs to require the cooperation of the IOUs or a certain level of working with community choice agencies and local governments that has not yet happened. Those closest to their local communities know where the underserved, disadvantaged parts of their community are, as well as what facilities are critical and essential. Who is staff at the CPUC really leaning forward in their chair to listen to? The local governments*

and CCAs that are making the extra effort to help the neediest in their community? Or the desperate-to-hold-themselves-together-financially IOUs?

California Alliance for Community Energy: *We agree with all here that a robust commercial tariff by the end of the year is a mandatory threshold requirement. Without achieving this, the mandate of SB 1339 has not been reached. Fairly valuing resilience and clarifying participant roles – especially the IOUs – and streamlining interconnection and approvals, are all inherent in the development of the tariff structure we support. We underscore the urgency of achieving this transition as soon as possible. The Communities we represent should not have to face yet another fire season without significant progress towards greater resilience. The microgrid tariff must enable differentiation to incentivize microgrid development in and by the communities most at risk from power shutoffs.*

GRID Alternatives: *GRID supports the creation of a microgrid tariff by the end of 2020 and recommends that the Commission adopt a sub-tariff available to disadvantaged and low-income communities. The sub-tariff elements should be discussed in a workshop. GRID also recommends the Commission adopt an equity program to manage customer intake of eligible sub-tariff recipients. This program should 1) be administered by a third-party, 2) not be capped at a maximum number of projects, 3) socialize costs across all distribution customers, and 4) prioritize DERs and encourage community participation.*

Enel X North America: *Enel is a leading provider of customer-facing clean energy solutions spanning demand response, solar + storage, and EV charging. These technologies can be deployed in multiple configurations, including microgrids, to deliver customer and grid-facing value. We urge the Commission to prioritize development of a standardized tariff for microgrid interconnection, dispatch and compensation. Such a tariff should allow for the streamlined*

interconnection of microgrids regardless of the specific technologies and configurations that are deployed for a given project or site, and should focus interconnection studies on the net load or generation that the upstream system sees at the Point of Common Coupling. The tariff should also enable fair compensation for the flexibility and resiliency services that microgrids provide and would enable aggregations of customer microgrids to participate in CAISO markets.

Green Hydrogen Coalition: *GHC is a California educational nonprofit founded in recognition of the game-changing potential of green hydrogen to accelerate decarbonization and combat climate change. GHC believes green hydrogen has a critical role in microgrid applications in fuel cells or as a drop-in fuel replacement for gas generating units, which are both commercially available today. The fundamental challenge for facilitating the deployment of commercially viable pathways to produce and use hydrogen today is how to achieve scale and reduce cost. Reaching commercial scale is not a technology issue, but rather a market design issue, and regulatory bodies have a key role in creating effective market design solutions. GHC believes a new microgrid tariff can support the scale-up required to advance green hydrogen use in microgrid applications and beyond, accelerating progress towards California's decarbonization goals while maintaining affordability, reliability, and resilience. The commercially viable opportunities for green hydrogen in microgrid applications are not currently promoted through existing tariffs.*

California is in a climate emergency and a much more serious energy crisis than in years past. Californians are currently suffering profoundly serious consequences as a result of wildfires, Public Safety Power Shutoffs, and rolling blackouts due to capacity shortfalls. The Commission must immediately focus on helping all communities in California become more resilient and safer by facilitating the wide scale deployment and mass adoption of customer microgrids.

This can be done effectively with the creation of microgrid tariffs that provide the market signals needed to leverage private investment in resilient energy solutions. Tariffs allow us to help the largest number of customers. The need for resilient energy across the state is too great to just rely on small, incremental policy changes or pilot programs. Hospitals, wastewater treatment facilities, schools, community centers, assisted living facilities, grocery stores, and all the other critical and essential services facilities we rely on every day needed to build microgrids yesterday.

Microgrids have sufficiently demonstrated their ability to provide safe, reliable, and resilient energy service to ratepayers in California and provide support to the grid when it is needed.² Today, Californians are suffering severe and dire consequences as a result of not having reliable power. The cost of slow and timid action is too great – California must act boldly to meet this moment. The Commission must focus on creating the new, separate rates and tariffs for customer microgrids to be widely and quickly deployed across the state. It is what is explicitly called for in SB 1339 and it is what is needed to ensure residents, businesses and communities are made more resilient in the face of natural disasters and power outages that threaten livelihoods, public health and safety, and the long-term sustainability of our great state of California.

All the meeting attendees appreciate the opportunity to meet with President Batjer’s staff and look forward to further collaboration with the Commission and staff on these important issues.

Respectfully submitted,

/s/ Baird Brown

² Miramar Marine Corps Air Station, Blue Lake Rancheria, and the Stone Edge Farm microgrids all carried their loads and voluntarily supported the grid during the recent rolling blackouts. *California Microgrids Flex Their Skills During Blackouts, August 25, 2020* <https://microgridknowledge.com/california-blackouts-microgrids-flexible-load/>

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