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California State Senate

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TWENTY-SEVENTH SENATE DISTRICT



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BUDGET & FISCAL REVIEW
NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION,
ENERGY & TRANSPORTATION

June 5, 2020

Ms. Genevieve Shiroma, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 95814

Dear Commissioner Shiroma:

I am writing regarding the recently released proposed decision on Track 1 issues in R1909009, which implements Senate Bill 1339 (Stern), Chapter 566, Statutes of 2018, regarding microgrids. Thank you for the expeditious response from the California Public Utilities Commission. While I have significant concerns about the upcoming wildfire season, the potential for another wave of power shutoffs, and our reliance on diesel generators to get us through the near term, I am encouraged that the proposed decision to implement this law sets a long term path to enhanced resiliency fueled by clean power for our most vulnerable communities and critical portions of the power system. In particular, I am encouraged by the proposals to:

- Allow customers to charge batteries from the grid ahead of deenergization events, as well as to allow larger batteries to be installed and used to cover more load during outages. These welcome changes will allow customers to protect themselves and their families when power outages inevitably come.
- Require investor owned utilities to share information with local governments through a secure internet portal to help those local entities plan, design, and budget for cost-effective community resiliency solutions.
- Establish the Community Microgrids Enablement Program for PG&E to provide almost \$70 million for microgrid projects through 2022.

That said, our near term reliance on diesel power is troubling. During the Senate Energy, Utilities and Communications Committee's hearing on June 4, 2020, Commission President Batjer stated that clean energy powered microgrids will, in all likelihood, not be deployed this year. Instead, the expectation is temporary diesel generation will be relied on to provide power during any public safety power

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shutoff (PSPS) this year. In an air district as burdened as the South Coast, and given the attendant risks associated with large scale diesel generator reliance, I am disappointed in our near term response to the wildfire energy resiliency crisis.

The Commission and California must solve this crisis the California way. For example, we should be leveraging the self-generation incentive program (SGIP), backup power funding, and other no-cost PSPS mitigation efforts like expediting the interconnection process and tariffs for microgrids. In this context, I strongly recommend that the Commission examine Public Utilities Code 218, commonly referred to as the “over the fence” rule, to determine if additional operational flexibility is required to better utilize energy, reliability and other ancillary services provided by SGIP or community microgrid projects.

I would also ask the Commission to expeditiously consider making the creation of a standardized tariff for behind-the-meter, customer-owned microgrids its top priority for Track 2. The tariff should be technology-neutral, emissions-based, and competitively deployed, so we ensure the cleanest technologies are made available to local governments, third parties, community choice aggregators as well as utilities, for deployment at hospitals, water treatment facilities, telecommunications facilities and data centers to protect themselves from PSPS events and wildfire caused outages. I would respectfully request the Commission also consider expediting the interconnection process and streamline the permitting process in these high priority areas.

Thank you for undertaking this very important work. If you would like to discuss this matter further, please do not hesitate to contact me or Gil Topete on my staff at (916) 651-4027

Sincerely,

A handwritten signature in black ink, appearing to read 'Henry Stern', with a stylized 'H' and 'S'.

Henry Stern
Senator, 27th District

cc. Marybel Batjer, President, California Public Utilities Commission
Martah Guzman-Aceves, Commissioner
Liane Randolph, Commissioner
Clifford Rechtschaffen, Commissioner
Hazel Miranda, Director of Governmental Affairs, CPUC