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**Re: Protest of the California Energy Storage Alliance and Microgrid Resources Coalition to Advice Letter 3734-E, et al. of the Joint Utilities**

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Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) and the Microgrid Resources Coalition (“MRC”) – collectively the Joint Parties – hereby submit this Protest to the above-referenced Advice Letter 3734-E of San Diego Gas and Electric Company (“SDG&E”), Advice Letter 6153-E of Pacific Gas and Electric Company (“PG&E”), and Advice Letter 4462-E of Southern California Edison Company (“SCE”), *Joint Submittal – San Diego Gas & Electric Evaluation Process and Criteria to Assess Microgrid Different Isolation Technologies Pursuant to Decision 21-01-018* (“Joint Advice Letter”), submitted jointly by the investor-owned utilities (“IOUs”). With Energy Division partially granting an extension request, the IOUs submitted the Joint Advice Letter on April 6, 2021, and accordingly, the Joint Parties are timely submitting this protest on April 26, 2021.

**I. INTRODUCTION & BACKGROUND.**

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 Decision (“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.<sup>1</sup> The Joint Parties lauded the Commission for adopting this proposal and looked forward to working with the IOUs on developing the criteria and evaluation process.

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<sup>1</sup> D.21-01-028 at 76.

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In the Joint Advice Letter, the IOUs drafted a Supplier Technical Checklist that provides a comprehensive list of the technical requirements that any supplier must provide to the IOUs in order to complete the evaluation process for new isolation technologies. A list of information that must be submitted to the IOUs via email is also included, such as, among other items, proof that the technology or device has received certification from a Nationally Recognized Testing Laboratory (“NRTL”). Within 90 days of receiving the required information, the IOUs may request any follow-up information and provide a draft “test and evaluation” agreement. A written report on the outcomes of the evaluation will be provided within 90 days. In addition to this “core” process, the IOUs propose a number of additional steps or requirements, such as IOU-conducted testing, workforce training, and case-by-case determination on the use of utility-supplied technologies.

Upon reviewing the Joint Advice Letter, the proposed criteria and evaluation process creates significant levels of uncertainty related to timelines of approval of isolation technologies and fails to provide upfront clarity on the criteria where third-party isolation technologies would be allowed. While the initial list of information submittal requirements appears reasonable, the Joint Parties have significant concerns that the proposed evaluation and approval process will make it extremely unlikely that these low-cost methods and technologies could be deployed ahead of the 2021 wildfire season to provide customer(s) resiliency. Such a process is contrary to the intent of the Commission. For example, to ensure isolation technology assessments can be completed prior to the 2021 wildfire season, Energy Division did not grant the IOUs’ originally requested 120-day extension, limiting the extension to 45 days.<sup>2</sup>

The Joint Parties thus submits this protest on the following grounds:

- The proposed timelines are arbitrary and vague and should be shortened.
- The IOUs should not require NRTL certification as a precondition for initiating consideration and dialogue regarding an isolation technology.
- Unless the IOUs provide specific criteria where replicated or additional testing is required as well as the specific testing process and goals, the use of microgrid isolation technologies should be approved based on the appropriate NRTL certifications.
- In light of the absence of any justification or identified circumstances to support utility ownership of these solutions, the IOUs should be precluded from requiring utility ownership as a condition of approving the use of an electrical isolation technology.

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<sup>2</sup> Executive Director Letter signed on February 19, 2021 in R.19-09-009 in response to *Request for Extension of Time to Comply with Ordering Paragraph 9 of Decision 21-01-018*.

- Test and evaluation agreements that are applicable for pilot programs should not apply to individual technologies.
- The IOUs require confidential information to be shared without a non-disclosure agreement.
- The proposed criteria and evaluation process should not be limited to behind-the-meter (“BTM”) applications but also to in-front-of-the-meter (“IFOM”) applications

To support expeditious resolution, the Joint Parties recommend that Energy Division issue a non-standard disposition letter that adopts initial information submittal requirements as proposed by the IOUs but shorten timelines and eliminate the additional requirements or options for the IOUs to replicate testing, require workforce training, provide free product, or require the use of utility-supplied technologies, unless the IOUs can identify specific cases and criteria where utility-supplied technologies are required for safety and reliability purposes.

## **II. DISCUSSION.**

In the below sections, the Joint Parties discuss the shortcomings of the proposed criteria and evaluation process in the Joint Advice Letter and recommends that the Commission reject this proposal. The IOUs create multiple opportunities for them to second guess certified technology options and create additional and unnecessary processes that are not substantiated for safety or reliability reasons if specific criteria or conditions are met. To support electrical isolation methods and technologies ahead of the 2021 wildfire season and provide resiliency to customers in the face of public safety power shutoff (“PSPS”) events, the Joint Parties urge the Commission to adopt the IOUs’ proposal with modifications as elaborated below.

### **A. The proposed timelines are arbitrary and vague and should be shortened.**

The IOUs propose a list of information that must be submitted in a request for evaluation, in addition to a 60-day timeline for contacting the supplier with additional information requests and a proposed evaluation plan and a 90-day timeline to produce an initial evaluation report.<sup>3</sup> Given the urgency of the upcoming wildfire and PSPS season and the clearly stated intent of adopting Proposal 5,<sup>4</sup> the Joint Parties believe

<sup>3</sup> Joint Advice Letter at 4-5.

<sup>4</sup> See D.21-01-028 at Finding of Fact (“FOF”) 31: “A process for large investor owned utilities to evaluate the safety and reliability of low-cost, utility-scale technologies and methods to provide electrical isolation may allow additional isolation methods to be available prior to the 2021 wildfire season and help commercialize microgrids” [emphasis added].

that these proposed timelines could be substantially tightened – such as a 10-day and 45-day timeline, respectively. The proposed timelines are seemingly arbitrary and excessive. For example, to produce an evaluation plan, the Joint Parties are unclear on why up to 60 days is needed, especially if standards are leveraged and if past technology evaluation approaches are incorporated. If the technical review amounts to identifying what NRTL certifications are necessary and validating that an isolation technology has been certified accordingly, the process is needlessly long. In addition, the request for additional or follow-up information should aim to mirror the timelines for IOU timelines to determine “deemed complete” status for Rule 21 interconnection applications.<sup>5</sup>

Furthermore, the IOUs propose a number of vague circumstantial reasons to subject suppliers to additional processes, such as workforce training,<sup>6</sup> which adds significant uncertainty to the timeline on the backend, even if the initial processes are defined by proposed timelines. As detailed in subsequent sections, these additional requirements should be removed, unless the IOUs are able to outline the specific criteria for which technologies would be subject to additional review and why and where certain additional requirements would be required (*e.g.*, workforce training). Otherwise, the Joint Parties are concerned that suppliers would be subject to unacceptably drawn-out processes with undefined and potentially indefinite timelines,<sup>7</sup> contrary to the requirement for the IOUs to propose a timeline for completing a detailed evaluation.<sup>8</sup> In this sense, the Joint Parties are unclear on how the proposed evaluation process would improve upon the current bilateral processes if timelines are not defined and any technology or supplier could be subject to case-by-case determinations at any time.

Finally, to facilitate efficient and collaborative processes, the IOUs should be encouraged to communicate with vendors and applicants in a timely manner, particularly if requests are likely to be deficient or non-compliant. Otherwise, the Joint Parties are concerned about an inefficient process whereby proposed technologies are rejected after the maximum allowed timeline (*e.g.*, 60 days) when timely and reasonably iterative communications could have resulted in a more successful outcome.

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<sup>5</sup> See Rule 21 Section E.5.a and Section E.5.b that list the up to 30 business days for communicating “deemed complete” status of interconnection requests, as well as any identified deficiencies.

<sup>6</sup> Joint Advice Letter at 6

<sup>7</sup> The IOUs do not define “reasonable timeframes” and refers to “reasonable” additional processes. See Joint Advice Letter at 5. Without guardrails or defined process timelines in place, the Joint Parties are concerned that the IOU could potentially engage in endless and iterative set of data requests with no finite end.

<sup>8</sup> See D.21-01-028 at Ordering Paragraph (“OP”) 9: “Process and *proposed timeframe for completing detailed evaluation* by the investor owned utility, inclusive of a determination and explanation regarding whether the proposed technology is approved for use and for reflecting that determination in the utility’s service rules” [*emphasis added*].

**B. The IOUs should not require NRTL certification as a precondition for initiating consideration and dialogue regarding an isolation technology.**

Although the Joint Parties support reliance on NRTL certifications for purposes of technical review of prospective technologies, we do not support requiring such certification as a precondition for any level of engagement or discussion regarding a given technology. Determining which standards and certifications are necessary may be informed by discussions with the IOUs and help guide design or engineering choices. Requiring certifications *a priori* necessarily limits the extent to which such dialogue can guide those decisions and may ultimately lead to a more prolonged review process.

Furthermore, the Joint Parties recommend that the Commission direct the IOUs to allow bilateral processes to be used between technology vendors and IOUs. As proposed, the IOUs propose a sequential process whereby the IOUs will only consider isolation technologies for use if fully certified and tested.<sup>9</sup> However, such a process may preclude the use of isolation technologies ahead of near-term resiliency needs in the face of the upcoming wildfire and PSPS seasons. It will take some time for isolation technologies to proceed end-to-end through the certification and testing process, such that alternative pathways should be established. To this end, the IOUs should offer criteria and processes to enable this type of evaluation, where the case-by-case approach currently proposed by the IOUs may be appropriate for these cases. For example, the independent IOU testing may be appropriate in these cases.

**C. Unless the IOUs provide specific criteria where replicated or additional testing is required as well as the specific testing process and goals, the use of microgrid isolation technologies should be approved based on the appropriate NRTL certifications.**

The Joint Parties generally support the IOUs' proposal for microgrid isolation technologies to provide evidentiary proof that the technology or device submitted for IOU review be certified to the most current and relevant standards prior to authorizing their use and/or deployment, such as UL 2735 for electric meters, UL 414 for meter sockets, and others. Independent testing by NRTLs and certification to the applicable standards is a common practice to support the safe, reliable, efficient, and scalable interconnection of generating facilities and is an appropriate means by which to enable the broad use of isolation technologies. To add to what has been proposed, the IOUs should maintain the list of accepted standards that have been accepted in the past for

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<sup>9</sup> Joint Advice Letter at 4-5.

use by different isolation technologies, as well as additional ones as the IOUs review and approve them as part of this new process. Similarly, for customer benefit, the list of approved technologies and devices should also be listed similar to the approved equipment list as done for smart inverters. In this way, follow-on technology vendors can understand which standards have been approved in the past and can inform their decisions for product design and testing for use in the future.

On the other hand, the Joint Parties have a major concern with the IOUs proposing to give themselves the option to “second guess” these certifications and conduct their own independent testing in “some circumstances” that are not defined.<sup>10</sup> This IOU-conducted independent testing process is unnecessary and only serves to add time and uncertainty to the process, especially as the technical evaluation criteria and the specific outcomes or results for which the technology would be tested by the IOUs are not defined. As a result, the IOUs could potentially prolong the approval of isolation technologies without any substantiated benefit or reason in the pursuit of an unspecified result that the IOUs wish to confirm or validate. Simply put, the IOUs should rely on nationally-recognized standards and strike any reference to the potential for replicated testing requirements, unless these “circumstances” are specified and justified, as required by D.21-01-018.<sup>11</sup> Furthermore, the IOUs should modify the criteria for accepting independent field-testing results from other states and utilities<sup>12</sup> and/or specify the conditions by which field testing results would be accepted.

**D. In light of the absence of any justification or identified circumstances to support utility ownership of these solutions, the IOUs should be precluded from requiring utility ownership as a condition of approving the use of an electrical isolation technology.**

The IOUs propose that the evaluation process will dictate, on a case-by-case basis, whether the isolation technology should be utility-supplied.<sup>13</sup> The Joint Parties find major issues with this aspect for the proposal because a mere reference to “case-by-case” assessments leaves too much discretion to the IOUs and does not provide the justifications for circumstances where utility-supplied or utility-owned technologies are required, thus falling short of the orders of D.21-01-018. Moreover, the IOUs propose non-relevant issues regarding the evaluation of the appropriate ownership of the device. Legal issues, customer service, and commercial/manufacturing availability

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<sup>10</sup> Joint Advice Letter at 6.

<sup>11</sup> D.21-01-018 at 78 and OP 9.

<sup>12</sup> See Joint Advice Letter at 4 where the IOUs seek information on whether the technology is being tested with another utility. However, the proposed criteria and evaluation process does not articulate whether and/or the conditions by which the IOUs would accept such test results.

<sup>13</sup> Joint Advice Letter at 7.

falls outside the scope of what was directed by the Commission, which should focus on the technical safety and reliability of the isolation technologies.

By virtue of justifications being required for utility-supplied or utility-owned technologies,<sup>14</sup> D.21-01-018 established customer-supplied and customer-owned technologies as the presumptive default option. Since the IOUs have been unable to provide the specific circumstances where utility ownership would be appropriate,<sup>15</sup> the Commission should modify the process such that the IOUs may not condition approval of a given electrical isolation technology on utility ownership. This would remove a substantial element of uncertainty from the approval process, one that, if left in, we fully expect to be a source of considerable disagreement, even though the IOUs have not, to this point, provided justifications, criteria, or circumstances for conditioning approval on utility ownership.

**E. Test and evaluation agreements that are applicable for pilot programs should not apply to individual technologies.**

The IOUs propose to provide suppliers with a draft “test and evaluation” agreement that will include the terms and conditions for conducting the technology evaluation and assessment, modeled on the requirements adopted for Electric Program Investment Charge (“EPIC”) and Smart Grid pilots.<sup>16</sup> However, the Joint Advice Letter does not provide an example draft agreement and the cited decisions do not provide clarity as to what these agreements will entail. In our read, D.13-03-032 listed nine pilot plan criteria that more appropriately applies for pilot programs, not to specific technologies.<sup>17</sup> The costs and benefits of any given technology, for example, is irrelevant to a process that should be evaluating their technical safety and reliability. For similar reasons, the Joint Parties do not understand the applicability of the EPIC renewal decision (D.20-08-042) for the purposes of this evaluation and approval process of isolation technologies.<sup>18</sup> Finally, the Commission clearly decided against a pilot approach and determined that an evaluation process would be established to

<sup>14</sup> D.21-01-018 at 78 and OP 9.

<sup>15</sup> D.21-01-018 at OP 9 requires a discussion of these circumstances, not a mere reference to circumstances.

<sup>16</sup> Joint Advice Letter at 4.

<sup>17</sup> See, e.g., D.13-03-032 at 6-8 where the criteria focus on objectives, goals, cost-effectiveness, metrics, and best practices – none of which appear to be applicable to evaluating any given individual technology on its technical merits. Rather, these criteria more appropriately apply to a program supporting a potential portfolio of technologies. There are only general references to “performance metrics” with nothing in the cited decision pointing to how the IOUs would be informed of drafting a test and evaluation agreement for the purposes of isolation technologies.

<sup>18</sup> See, e.g., D.20-08-042 at 2-7 where the criteria focus on the guiding principles, purpose, and administration of EPIC as a program, not for any given technology.

support commercial deployment of isolation technologies,<sup>19</sup> raising question regarding the applicability of these two cited decisions.

Unless clarified otherwise, the Joint Parties believe a more simplified test and evaluation agreement could be established that assesses the applicability and relevance of particular standards in ensuring safety and reliability. With an understanding of what the applicable standard entails, the IOUs should be able to draft operational agreements with vendors on mutually acceptable processes, procedures, and agreements that define roles and responsibilities, as well as other operational concerns.

Additionally, with \$3 million authorized in D.21-01-018 to spend on evaluations, the IOUs should purchase the vendors' products, especially given the significant amount of hardware that each IOU is requiring to perform its testing. Since the IOUs are also seeking confidential product information as part of the evaluation process, the IOUs should be required to execute a non-disclosure agreement with the vendors, if testing is required.

**F. The proposed criteria and evaluation process should not be limited to behind-the-meter applications but also to in-front-of-the-meter applications.**

The Joint Parties recommend that the IOUs more explicitly clarify the applicability of the proposed criteria and evaluation process for the approval of isolation technologies that can be used on the utility side of the meter. In response to Question 8, the IOUs subjectively propose to limit certification processes outlined within the Joint Advice Letter to isolation technologies at the meter. Several companies are developing IFOM solar-plus-storage projects under virtual net energy metering ("VNEM") arrangements that could benefit from the use of isolation technologies to support low-cost resiliency for multi-family buildings and customers. It is simply bad public policy to disallow certification of isolation technologies for IFOM resources, leaving the battery storage system to go unused during a PSPS event. The applicability to such projects appears to be suggested in the Joint Advice Letter through references to utility-scale projects,<sup>20</sup> but it could be made more explicitly clear as the Commission reviews, modifies, and approves the proposed criteria and evaluation process.

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<sup>19</sup> D.21-01-018 at 76.

<sup>20</sup> Joint Advice Letter at 2.



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### III. CONCLUSION.

The Joint Parties appreciate the opportunity to submit this Protest in response to the Joint Advice Letter and looks forward to collaborating with the Commission and IOUs to better enable the use of microgrid isolation technologies pursuant to D.21-01-018, ahead of the 2021 wildfire and PSPS season.

Respectfully submitted,



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