

**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)

**REPLY BRIEF OF THE CALIFORNIA ENERGY STORAGE ALLIANCE**

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**REPLY BRIEF OF THE CALIFORNIA ENERGY STORAGE ALLIANCE**

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits this reply brief in the *Application of Pacific Gas and Electric Company (U 39 E) Proposing Framework for Substation Microgrid Solutions to Mitigate Public Safety Power Shutoffs* (“Application”), pursuant to the *Emailing Ruling Directing Opening Briefs Due 7/8/2022; Reply Briefs Due 7/21/2022* (“Ruling”) issued by Administrative Law Judge (“ALJ”) Colin Rizzo on May 10, 2022.

**I. INTRODUCTION.**

In opening briefs to Pacific Gas and Electric’s (“PG&E”) Application, parties provided important insights into ensuring that PG&E procures clean alternatives via a meaningful emissions standard,<sup>1</sup> ensuring that the full value of microgrid solutions are accounted for in Request for Offer (“RFO”) evaluations,<sup>2</sup> and ensuring that there is appropriate stakeholder oversight during PG&E’s

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<sup>1</sup> See Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”) Opening Brief at 23-30; The Utility Reform Network (“TURN”) Opening Brief at 7-9; Small Business Utilities Association (“SBUA”) Opening Brief at 4-5.

<sup>2</sup> See CESA Opening Brief at 5, “Given these barriers to immediate execution of additional services, CESA believes that this potential should be explicitly considered [in the evaluation of any RFO], including for third-party owned solutions.” See also, Cal Advocates Opening Brief at 46, “Cal Advocates Opening Brief

analysis of candidate substations, microgrid solutions and their alternatives, and procurement activities. To this end, parties have recommended that PG&E procurements be evaluated through an application process.<sup>3</sup>

By contrast, CESA does not believe that procurements of microgrids need to go through formal applications, given that PG&E would be using an approved framework for evaluation, and that procurements resulting from this framework would be urgently needed to mitigate Public Safety Power Shutoff (“PSPS”) events.<sup>4</sup> Successful deployment of clean microgrid solutions require an efficient approval process that accounts for lead times to their financing, development, and construction. However, parties have recommended reasonable additional stakeholder insight and oversight surrounding the use of PG&E’s proposed Alternative Prioritization Metric, the PSPS Consequence Score, which would be used to rank Candidate Substations and determine which to consider for a microgrid solution. In this Reply Brief, CESA provides the following key recommendations:

- If an RFO is not planned for a given year, PG&E should submit a Tier 2 Advice Letter detailing the substation prioritization and alternatives analysis.
- A technical workshop on the PSPS Consequence Score can educate stakeholders but should not slow down the analysis and procurement process for 2023.

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at 46 “The Commission should require PG&E to include ability of technologies to provide grid benefits outside of PSPS mitigation in its Qualitative Factors considered when reviewing multi-season PSPS mitigation solution bids.”

<sup>3</sup> See Cal Advocates Opening Brief at 22; TURN Opening Brief at 3; SBUA Opening Brief at 9.

<sup>4</sup> See CESA-002 at p.6, lines 5-10: “Once this framework is approved by the Commission with well-vetted criteria and parameters, an Advice Letter process can support the ability of these microgrid solutions to get in place quickly, particularly where grid needs are only identified one or two seasons ahead of when they emerge.”

Additionally, CESA comments on how PG&E should not overlook the potential for demand response (“DR”) and other customer distributed energy resources (“DER”) to contribute to microgrid solutions, and that lessons learned from programs and pilots leveraging DERs in microgrids should be incorporated into the framework.

**II. IF AN RFO IS NOT PLANNED FOR A GIVEN YEAR, PG&E SHOULD RELEASE A TIER 2 ADVICE LETTER DETAILING THE SUBSTATION PRIORITIZATION AND ALTERNATIVES ANALYSIS.**

Many parties, including CESA, commented on the Candidate Substation Prioritization methodology that will be used to identify which substations PG&E will consider for a substation-level microgrid. Generally, CESA,<sup>5</sup> Marin Clean Energy and Sonoma Clean Power Authority (jointly the “Joint CCAs”),<sup>6</sup> and TURN<sup>7</sup> directionally support PG&E’s Alternative Prioritization Metric based on an Aggregate PSPS Consequence Score (or prefer it over PG&E’s original methodology) since it incorporates a more holistic view of the impact of potential PSPS events by incorporating considerations of outage duration and number of customers impacted. While not commenting on the specific Alternative Metric proposed by PG&E, Cal Advocates similarly advocates for PG&E to rank candidate substations in a way that considers, “duration of outages, frequency of outages, and number of customers affected.”<sup>8</sup>

While CESA supports the use of the Alternative Prioritization Metric, valid concerns were raised by the Joint CCAs<sup>9</sup> and TURN<sup>10</sup> surrounding the fact that no testimony has been submitted

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<sup>5</sup> CESA Opening Brief at 3-4.

<sup>6</sup> Joint CCAs Opening Brief at 5.

<sup>7</sup> TURN Opening Brief at 13.

<sup>8</sup> Cal Advocates Opening Brief at 40.

<sup>9</sup> Joint CCAs Opening Brief at 6-7.

<sup>10</sup> TURN Opening Brief at 13.

in this proceeding actually showing analysis using this metric and that the use of the metric would significantly depend on PG&E's discretion, given that PG&E will select an unspecified percentile of top substations to consider for the alternatives analysis based on "professional judgement."<sup>11</sup> Additionally, in PG&E's current framework, the candidate substation prioritization ranking and alternatives analysis would be conducted annually. However, an AL detailing this analysis would only be submitted if PG&E determines that a microgrid is needed to mitigate a potential PSPS risk, has released an RFO, and successfully found an offer that they would like to pursue to build the microgrid.<sup>12</sup> If no microgrids are found to be needed, either because PG&E determines that no substations have significant PSPS events or because the alternatives analysis revealed more cost-effective alternative solutions, the results of the analysis would not be presented to stakeholders.

To provide additional oversight into this analysis, particularly given the lack of data on how the Alternative Prioritization metric would be used in this framework, the Joint CCAs request that PG&E be required to submit an additional Advice Letter during this annual process. In the Joint CCA's proposed process, PG&E would annually submit the candidate substation prioritization and alternatives analysis, outlining whether they plan on releasing any RFOs for a microgrid solution.<sup>13</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>14</sup>

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<sup>11</sup> PGE-005 at p. 2-2, footnote 4.

<sup>12</sup> See PGE-001 at p. 6-2, lines 1-7: "Once PG&E has [...] solicited offers for any substation microgrid solutions needed, PG&E will execute any selected contracts [...] and will submit, not more often than annually, an Advice Letter (AL) that includes a detailed description of the selected solution(s) and the associated cost forecast."

<sup>13</sup> Joint CCAs Opening Brief at 9.

<sup>14</sup> Ibid.

CESA believes that there is significant merit to requiring PG&E to submit at least one Advice Letter annually, and we suggest that, if PG&E runs the framework and determines that no microgrid solution is needed at any substation, then a Tier 2 Advice Letter should be released detailing PG&E's analysis and justification for not seeking solutions at that time. This will allow stakeholders to review the analysis and consider how PG&E's methodology is evolving in the framework, while providing input on how the methodology should be modified where flaws or limitations are identified. In addition, such a process would allow stakeholders and the Commission to provide feedback and shape the methodologies whenever PG&E incorporates updates to the PSPS Consequence Score, which would otherwise happen outside of this framework and without any transparency.

**III. A TECHNICAL WORKSHOP ON THE PSPS CONSEQUENCE SCORE CAN EDUCATE STAKEHOLDERS BUT SHOULD NOT SLOW DOWN THE ANALYSIS AND PROCUREMENT PROCESS FOR 2023.**

In addition to seeking insight into Candidate Substation prioritization and the PSPS Consequence Score, TURN requests that, if the alternative prioritization metric is adopted, PG&E hold, "at least one technical workshop on the methodology and allow for intervenor input via written comments."<sup>15</sup> CESA supports TURN's request for a technical workshop on the aggregate PSPS consequence score but does not believe that this workshop should slow down PG&E's evaluation of solutions and releasing of RFOs for 2023 and beyond. PG&E has stated that "if a final decision is not obtained by November 2022, PG&E proposes to continue using the Interim Approach for the 2023 fire season."<sup>16</sup> Delays in the contract negotiation, study process, and procurement of microgrids in response to PG&E's Clean Substation Microgrid Pilot RFO is

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<sup>15</sup> TURN Opening Brief at 13-14.

<sup>16</sup> PG&E Opening Brief at 53.

instructive here as well, where CESA agrees with having the final decision in place by November 2022 to avoid having to use the Interim Approach for the 2023 fire season – an outcome that would lead to the Interim Approach extending for more than two years since D.21-01-018 was issued. In order to prevent delays on a final decision or execution of using the framework for 2023, PG&E should be able to begin analysis prior to any technical workshop. However, the workshop would provide stakeholders with important context and answers to stakeholder questions so that when PG&E presents the results of their analysis, parties can develop informed responses. Written comments on the workshop could inform changes to be incorporated in the 2024 analysis.

**IV. DEMAND RESPONSE AND CUSTOMER-OWNED BEHIND-THE-METER SYSTEMS SHOULD BE INCORPORATED INTO SOLUTIONS WHERE FEASIBLE.**

In Opening Testimony, CESA explained how demand response solutions could help support substation microgrids by reducing the amount of load that the microgrid needs to support.<sup>17</sup> Currently, PG&E is proposing to incorporate the Base Interruptible Program (“BIP”) and the SmartAC program into the framework to reduce load needs,<sup>18</sup> which are both PG&E-administered programs. CESA supports the use of these two programs in microgrid solutions, and the Commission has already approved them for use in during PSPS events where substations have been energized using temporary generation under the Interim Approach.<sup>19</sup>

Yet, as PG&E gains experience in procuring substation-level microgrids, CESA urges further consideration of how to incorporate demand response solutions or customer-owned exporting distributed energy resources (“DER”). For example, the Community Microgrid

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<sup>17</sup> CESA-001 at p.13, lines 10-12.

<sup>18</sup> PG&E Opening Brief at 2.

<sup>19</sup> PG&E Opening Brief at 70.

Enablement Program (“CMEP”) is currently helping deploy multi-customer microgrids that leverage both in-front-of-the-meter (“IFOM”) and BTM resources.<sup>20</sup> Additionally, PG&E is going to study how vehicle-to-grid (“V2G”) capable electric vehicles (“EV”) could support microgrids deployed for PSPS mitigation.<sup>21</sup> As lessons emerge from these programs and pilots emerge, CESA urges revisiting this framework to better evaluate the potential of DR and DERs to contribute to microgrid solutions.

V. **CONCLUSION.**

CESA appreciates the opportunity to submit this brief and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,



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<sup>20</sup> For example, the Redwood Coast Airport Renewable Energy Microgrid is leveraging both a 2.2 MW FOM solar system and a 250 kW BTM net energy metering system. *See more information at:* <https://redwoodenergy.org/rcam/>

<sup>21</sup> PG&E AL 6259-E, approved by Resolution E-5192.