

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

Order Instituting Rulemaking  
Regarding Policies, Procedures and  
Rules for Development of Distribution  
Resources Plans Pursuant to Public  
Utilities Code Section 769.

R.14-08-013  
(Filed August 14, 2014)

**COMMENTS OF THE  
COALITION OF CALIFORNIA UTILITY EMPLOYEES  
ON THE QUESTIONS INCLUDED IN THE OIR**

September 5, 2014

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Pursuant to the Order Instituting Rulemaking (“OIR”) issued August 20, 2014, the Coalition of California Utility Employees (“CUE”) offers these Comments on the Questions Included in the OIR.

**I. INTRODUCTION**

The Commission opened this rulemaking to establish policies, procedures, and rules to guide California’s IOUs in developing their Distribution Resources Plan Proposals (“DRP”), which are required by Public Utilities Code Section by July 1, 2015.<sup>1</sup> Section 769 requires IOUs to submit DRPs that recognize the need for investment to integrate cost-effective Distributed Energy Resources and for actively identifying barriers to the deployment standards related to technology or operation of the distribution circuit.<sup>2</sup> The Commission is then authorized to modify or

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<sup>1</sup> OIR, p. 2.

<sup>2</sup> *Id.*, at p. 3.

approve the IOUs' DRPs "as appropriate to minimize overall system costs and maximize ratepayer benefit from investments in distributed resources."<sup>3</sup>

The OIR identifies the preliminary scope and then lists several questions for parties to comment on in order to address certain issues discussed in the scope.

CUE responds to several of these questions.

1. What specific criteria should the Commission consider to guide the IOUs' development of DRPs, including what characteristics, requirements and specifications are necessary to enable a distribution grid that is at once reliable, safe, resilient, cost-efficient, open to distributed energy resources, and enables the achievement of California's energy and climate goals?

In considering what criteria are necessary to guide the IOUs' DRP development, the Commission must focus on safety. As discussed in the OIR, "the Commission is committed ensuring full consideration of safety issues and practices related to its policies and proceedings."<sup>4</sup> Therefore, in addition to overall system safety, this proceeding must take into account the safety of utility personnel, along with other people who directly interact with the distribution system, and end users. The OIR recognizes the importance of including utility employee safety as a specific criteria for evaluating the IOUs' DRPs as the risks from interconnecting new devices and technologies to the distribution system will grow as a result of implementing these DRPs.<sup>5</sup> Therefore, the Commission must require the IOUs to consider utility employee safety in the development of their DRPs.

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<sup>3</sup> *Id.*, at p. 3; Pub. Util. Code § 769(c).

<sup>4</sup> *Id.*, at p. 8.

<sup>5</sup> *Id.*, at p. 9.

13. Should the DRPs include discussion of how ownership of the distribution may evolve as DERs start to provide distribution reliability services? If so, briefly discuss those areas where utility, customer and third party ownership are reasonable.

The DRPs should include discussion of how ownership of the distribution may evolve. Utilities are required to provide safe and adequate service under the Public Utilities Code, and third party owners are not. If third party owners have no obligation to serve customers, much less safely and adequately, then the third party's rational self-interest may, at some point, diverge from the customer's. The ownership should remain with the entity obligated to serve customers, with an obligation to maintain and operate the facilities upon which safety and reliability depend.

Pursuant to Section 769, the IOUs could include this issues in discussions under subsections (b)(1):

Evaluate locational benefits and costs of distributed resources located on the distribution system. This evaluation shall be based on reductions or increases in local generation capacity needs, **avoided or increased investments in** distribution infrastructure, **safety benefits, reliability benefits**, and any other savings the distributed resources provides to the electric grid or costs to ratepayers of the electrical corporation.<sup>6</sup>

and b(5):

Identify barriers to the deployment of distributed resources, including, but not limited to, safety standards related to technology or operation of the distribution circuit in a manner that ensures reliable service.<sup>7</sup>

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<sup>6</sup> Pub. Util. Code § 769(b)(1).

<sup>7</sup> Id., at § 769(b)(5).

Discussions on effects on safety and reliability due to third party or customer ownership fit squarely within these sections.

14. What specific concerns about safety should be addressed in the DRPs?

These comments have already addressed two important safety concerns: utility employee safety and risks to system safety under third party ownership. In addition to these safety concerns, the Commission should include and develop a focus on any additional safety issues recognized in this proceeding. As stated in the OIR, prospective changes to distribution planning processes must take into account safety measures into the planning process for distribution facilities.<sup>8</sup>

## II. CONCLUSION

CUE appreciates that the Commission is using this OIR as an opportunity to allow stakeholders the opportunity to shape the Distribution Resources Plan Proposals and requests that the Commission consider CUE's proposals as described in these comments.

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<sup>8</sup> *Id.*

Dated: September 5, 2014

Respectfully submitted,

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