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

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| 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<br>(filed August 20th, 2014) |

# COMMENTS OF GREEN TECHNOLOGY LEADERSHIP GROUP REGARDING DISTRIBUTION RESOURCES PLAN PROPOSALS

**FOR GREEN TECHNOLOGY LEADERSHIP GROUP**

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## 1. INTRODUCTION

The Green Technology Leadership Group (GTLG), a nonprofit organization focused on developing innovative energy policies with industry and public sector leaders, appreciates the opportunity to submit comments regarding D.14-08-013. We especially appreciate the Commissions' inclusion of our report in Appendix B titled "More than Smart: A Framework to Make the Distribution Grid More Open, Efficient and Resilient", or MTS. The levels of distributed energy resources (DER) envisioned in current California policy, including Assembly Bill 32 (Nunez) and Assembly Bill 327 (Perea), requires a bold new comprehensive plan for upgrading our distribution grid—we believe this proceeding is the appropriate path for guiding this change.

Answers to the questions outlined in the Order Instituting Rulemaking (OIR) for this proceeding are addressed in GTLG's MTS report. It is important to emphasize the MTS report was developed through a series of workshops with industry, government and nonprofit leaders focused on helping guide future utility investments and planning for a new distributed generation system. It was clear in developing the report that no state has initiated a comprehensive effort as outlined in the MTS report that includes the planning, design-build and operational requirements for large scale integration of DER into state-wide distributed generation systems. The MTS paper provides a suggested framework and guiding principles for how to initiate such a system that we believe could apply to how California investor-owned electric utilities (IOUs) develop their Distribution Resources Plan (DRP) Proposals as created under AB 327. However, most important is for the IOU's to *implement* this framework now in order to comply with this proceedings charge to complete DRP's by July 1, 2015.

To summarize, the MTS paper outlines four key principles around distribution grid planning, design build, operations and integrating DER into operations to create a more open, efficient and resilient grid. They are summarized as follows, and outlined in Appendix B of the OIR:

1. Distribution planning should start with a comprehensive, scenario driven, multi stakeholder planning process that standardizes data and methodologies to address locational benefits and costs of distributed resources. Distribution planning is becoming more complex. An integrated planning and analysis framework is needed to properly identify opportunities to maximize locational benefits and minimize incremental costs of distributed resources. Utilities should start with using specific scenarios as outlined in other proceedings such as in the Long Term Procurement Planning efforts.

2. California's distribution system planning, design and investments should move towards an open, flexible, and node-friendly network system (rather than a centralized, linear, closed one) that enables seamless DER integration. California's vision for significant DER contribution to resource adequacy and safe, reliable operation of the grid requires a move to a network system. Stakeholders should work to define exactly what a "network system" is and how this and other proceedings can work collectively towards developing this system.

3. California's electric distribution service operators (DSO) should have an expanded role in utility distribution operations (with CAISO) and should act as a technology-neutral marketplace coordinator and situational awareness and operational information exchange facilitator while avoiding any operational conflicts of interest. Today, bulk power systems and distribution systems are largely operated independently. DSO's can help play an integrating role with CAISO. California is already at the point at which integrated and coordinated operations based on better situational information is essential.

4. Flexible DER can provide value today to optimize markets, grid operations and investments. California should expedite DER participation in wholesale markets and resource adequacy, unbundle distribution grid operations services, create a transparent process to monetize DER services and reduce unnecessary barriers for DER integration. Flexible DER can provide a wide range of value across the bulk power and distribution systems. The issue is not if or when, but rather how do we enable integration of flexible DER into these systems. Finally, barriers to broad participation involving complex and expensive measurement and verification schemes and related settlement processes should be simplified for DER.

Submitted DRP's will represent the first step towards re-shaping the distribution grid. We commend the CPUC for starting this proceeding quickly to allow stakeholders to provide timely input into these DRP's. We encourage the CPUC to continue to work to simplify the content in this proceeding to enable more stakeholders that are not typically parties to share their vision for the distribution grid. In addition, every effort should be made to integrate findings in other CPUC, CEC and ISO proceedings relating to rate reform, energy efficiency, smart grid, energy data, demand response, net metering, renewable portfolio standards and other related proceedings into this proceeding.

Finally, as other states and international locales consider a more distributed electric system this proceeding offers guidance on the critical questions and a framework for developing the path forward for their particular distribution systems.

## CONCLUSION

The D.14-08-013 proceeding will act as a useful convening tool for creating a framework for upgrading a new distribution grid for California and to identify technologies and services that can expedite California's push for more DER. GTLG will work closely with CPUC and other stakeholders to develop concrete recommendations and principles for distribution grid planning, design build, operations and integrating DER into operations to create a more open, efficient and resilient grid.

Thank you for your consideration.

Dated: September 5th, 2014

Respectfully submitted,
FOR GREEN TECHNOLOGY LEADERSHIP GROUP

/s/
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