

September 6, 2017

CPUC Energy Division  
Attn: Tariff Unit  
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San Francisco, CA 94102  
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**Re: Clean Coalition’s Joint Protest to Pacific Gas & Electric’s Advice Letter 5129-E, Southern California Edison’s Advice Letter 3647-E, and San Diego Gas & Electric’s Advice Letter 3106-E Proposed Modifications to Electric Tariff Rule 21 to Incorporate Smart Inverter Advanced Functions (Phase 3)**

Clean Coalition submits this joint protest of Advice Letters 3106-E (San Diego Gas & Electric (“SDG&E”), 5129-E (Pacific Gas & Electric Company (“PG&E”), and 3647-E (Southern California Edison Company (“SCE”) (Jointly “IOUs”) pursuant to General Order 96-B.1

### **Summary**

Clean Coalition supports the work of Commission staff, the IOUs and other stakeholders engaged in the Smart Inverter Working Group (“SIWG”) in seeking consensus on the Phase 3 advanced inverter functions for distributed energy resources (“DER”), and we commend the excellent progress has been achieved through Phase 1, 2, and 3. The definition and deployment of these capabilities is of urgent importance to California, as is the resolution of issues regarding the circumstances under which they will be employed toward meeting the widely supported goals of the Commission’s DER Action Plan. However, we believe the modifications proposed within the Advice Letters may be well beyond both the scope of the working group and the degree of consensus established on these issues.

- The default activation of inverter functions and mandatory provision of services through these functions should not be established through Advice Letter unless by consensus of Parties.
- Variances from IEEE 1547, default activation of Volt-Watt functions, and the proposed monitoring, communications and control requirements, do not appear to reflect consensus of the working group participants.
- While interconnection applicants should be required to install inverters with the capabilities defined by the SIWG and updated national standards as soon as

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<sup>1</sup> General Order No. 96-B §7.4.2.

practical, unless and until determined otherwise it should be made clear that applicants are not responsible for costs associated with accessing or utilizing these capabilities, including communication systems or reductions in real power output.

- We recommend that the Commission not accept the Advice Letters at this time and instead refer the Advice Letters to the SIWG for expedited review and modification if needed to both reflect broad consensus and ensure that California Standards do not directly conflict with IEEE 1547.

California has been instrumental in advancing interconnection standards, including those associated with inverter functions and capabilities, and has appropriately moved ahead of existing national standards as warranted. At the same time, the Commission clearly recognizes the merits of consistency in standards. As a major market, it is inappropriate for California to continue to implement new standards where no existing standard has been established. However, any deviation from national standards, including the creation new standards, should be adopted only where a clear need has been established and where timely harmonization with national standards is not practical. Given that updates to IEEE 1547 have already been drafted and adoption is anticipated within nine months, Clean Coalition recommends that modifications to the Rule 21 tariff overtly defer to future updates to national standards unless specifically intending otherwise.

## **Discussion**

### **The Advice Letters Should Be Rejected Because They Violate the Decision and Request Action Not Authorized by Statute or Commission Order.**

An advice letter seeking a change to an IOU tariff is only appropriate where the change is previously authorized by statute or Commission order. The authorizing Decision simply directed the IOUs to propose agreed-upon technical requirements, testing and certification processes, and effective dates for the Phase 3 additional advanced inverter functions.<sup>2</sup> It did not authorize the IOUs to include tariff modifications via Advice Letter which were beyond the scope of issues or consensus of the working group.

The proposed monitoring, communications and control requirements may necessitate substantial investments costs that have not yet been determined as warranted in proportion to the scale of benefits or aligned the allocation of benefits. Fundamentally, a system owner should be held responsible for mitigating their impacts on the electric grid, but should not be responsible for providing services beyond this mitigation without just and adequate compensation. Cost allocation is the subject of the formal interconnection proceeding (R. 17-07-007) as informed by the Distributions Resources Plan (R.14-08-013) and compensation for services is scoped for Integrated

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<sup>2</sup> D.16-06-052 Ordering Paragraph 9.

Distributed Energy Resources (R. 14-10-003) proceeding, among others.

### **The Advice Letters' Proposed Provisions Are Not the Result of Consensus.**

The Commission explicitly ordered that the Advice Letters were to contain “agreed-upon” changes to Rule 21.<sup>3</sup> There did not appear to be consensus among the members of the SIWG to many of the proposed provisions. Recent meetings of the working group demonstrated clear disagreement between participants with regard to multiple proposals included in the Advice Letters. The Decision was clear that the IOUs should not file Tier 3 advice letters but should file a status report and work plan if consensus was not achieved regarding Phase 3 issues. Clean Coalition agrees with concerns raised by participants and concludes that the Commission should reject the Advice Letters because they violate the Commission’s order directing that advice letters reflect consensus.

For example, in the public comments on the July 27, 2017 ‘*Staff Proposal on Reactive Power Priority Setting of Smart Inverters*’, the only consensus achieved was limited to establishing the capability of inverters to offer reactive power prioritization, not the activation of this capability. The majority of comments submitted called for activation to be contingent upon review of the actual needs, impacts, costs, and potential compensation through the DRP, IDER, and Rule 21 Interconnection proceedings: R.14-08-013, R. 14-10-003, R.17-07-007 respectively, and other proceedings as appropriate.

### **The Advice Letters Conflict with the Authorizing Decision in Addressing Regulatory, Legal and Compensation Issues that are Beyond the Scope of the Working Group.**

D.16-06-052, states that “any proposed Rule 21 revisions shall solely concern technical inverter requirements and not any regulatory, legal, or compensation issues that are out of scope for the SIWG.”<sup>4</sup> As such, the scope of the Advice Letters should have been limited to requiring certain capabilities for advanced inverters, not the mandatory activation of these capabilities. By requiring activation of capabilities that reduce the real power output and potential requirements for systems to actively communicate with utilities, the Advice Letters address regulatory, legal and compensation issues that are beyond the scope of the working group and are properly addressed in proceedings, as noted above.

### **The Advice Letters Should Be Rejected Because They Address Issues Inappropriate for an Advice Letter.**

Advice letters are appropriate for a “quick and simplified review of the types of

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<sup>3</sup> D.16-06-052, Ordering Paragraph 9.

<sup>4</sup> D.16-06-052, at pp. 6-7.

utility requests that are expected neither to be controversial nor to raise important policy questions.”<sup>5</sup> The changes proposed in the Advice Letters imply requirements which are highly controversial, Parties to the SIWG have raised frequent concerns regarding the impact of activation of several functions in addition to telemetry and communication and control requirements, and several are expected protest the Advice Letters.

While the Clean Coalition seeks expeditious resolution, due to the lack of consensus expressed among parties, the Rule 21 changes being proposed may warrant review in a formal proceeding to resolve important issues of fact regarding the impacts of these functionalities.

### **Conclusion**

We recommend that the Commission refer the Advice Letters to the SIWG for expedited review and modification if needed to reflect broad consensus.

The Advice Letters were submitted in accord with established deadlines, and have not yet had the benefit of review to ensure the language reflects broad support by the working group. Issues upon which the working group has not reached consensus should be clearly identified and categorized as either matters which the SIWG anticipates consensus within a specified period of additional work, or as matters appropriate for adjudication through formal proceeding processes.

The impacts of certain functions such as reactive power priority should be reviewed and included within scope of R.17-07-007, and the issue of compensation for the services, and the operational requirements needed to justify such compensation, should be left to their formal proceedings such as R.14-10-003, R. 15-03-011 and R.14-07-002.

For the reasons stated above, the Advice Letters should not be accepted at this time, and the IOUs should be required file a status report and work plan to submit new Advice Letters reflecting only consensus-based activation of advanced inverter capabilities and associated requirements regarding installation of supporting communication systems.

Respectfully submitted,



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<sup>5</sup> General Order 96-B, §5.1.

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