

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



April 20, 2020

**Advice Letter 5794-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Notice to Cancel Competitive Solicitations for Distributed Energy Resource (DER) Procurement for Electric Distribution Deferral Opportunity at Calflax**

Dear Mr. Jacobson:

Advice Letter 5794-E is effective as of April 17, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

March 26, 2020

**Advice Letter 5794-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice to Cancel Competitive Solicitations for Distributed Energy Resource (DER) Procurement for Electric Distribution Deferral Opportunity at Calflax**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this Tier 2 advice letter requesting the California Public Utilities Commission's (Commission's or CPUC's) approval to cancel the competitive solicitation to procure distributed energy resources (DER) solutions for the electric distribution deferral opportunity at Calflax. This request is consistent with the consensus feedback received from the Distribution Planning Advisory Group (DPAG) at the March 12, 2020 DPAG meeting.

**1. Background**

On August 14, 2014, the Commission instituted Rulemaking (R.) 14-08-013 to establish policies, procedures, and rules to guide the California investor-owned utilities (IOUs) in developing their Distribution Resources Plan proposals. This rulemaking also established new polices to evaluate the IOUs' existing and future electric distribution infrastructure and planning procedures with respect to incorporating DERs into the planning and operations of their electric distribution systems.

In July 2015, California IOUs each submitted their respective Distribution Resources Plan (DRP) proposals to the Commission. The Commission organized the review of the DRP filing content into three tracks: Track 1 – Tools and Methodologies, Track 2 – Field Demonstration Projects, and Track 3 – Policy Issues. Various DRP working group meetings and workshops were held to inform the Commission and stakeholders, which ultimately led to several decisions in R.14-08-013.

In February 2018 the Commission issued Decision (D.) 18-02-004 on Track 3 Policy Issues, sub-track 1 (Growth Scenarios) and sub-track 3 (Distribution Investment and Deferral Process). This decision directed the IOUs to file a Grid Needs Assessment

(GNA) by June 1 of each year, and a Distribution Deferral Opportunity Report (DDOR) by September 1 of each year. Subsequently, on May 2019, assigned Administrative Law Judge (ALJ) Mason issued a Ruling (May 2019 Ruling) modifying the Distribution Investment Deferral Framework (DIDF). One notable modification was the new August submission date for both the GNA and DDOR reports.

PG&E jointly filed its second annual GNA and DDOR on August 15, 2019. As required by D.18-02-004 and the May 2019 Ruling, PG&E initiated DPAG meetings by September 20, 2019 to receive advisory input on candidate distribution deferral opportunities that should be issued for competitive solicitation.

On November 15, 2019, PG&E submitted Advice Letter (AL) 5688-E to request approval to competitively solicit for electric distribution deferral opportunities, including the Calflax Bank 2 distribution deferral opportunity. On December 19, 2019, PG&E received disposition of AL 5688-E with approval to solicit for the requested deferral opportunity projects.

In accordance with the May 2019 Ruling, the purpose of this advice letter is to explain modifications for the approved Calflax project. After receiving additional input from the DPAG on March 12, 2020, PG&E is submitting this advice letter to cancel the competitive solicitation for DER procurement to defer the candidate project Calflax Bank 2 at Calflax substation. The explanation for this decision is detailed below in Section 3

## **2. Overview of the Distribution Investment Deferral Framework Process**

Pursuant to the DIDF as specified in D.18-02-004 and the May 2019 Ruling, PG&E:

- August 15, 2019 - Submitted PG&E's 2019 GNA Report and PG&E's 2019 DDOR
- September 19, 2019 - Hosted PG&E's DPAG Meeting #1
- October 7, 2019 - Hosted PG&E's DPAG Meeting #2 via Webinar
- November 15, 2019 - Republished PG&E's 2019 GNA Report and PG&E's 2019 DDOR
- November 15, 2019 - Filed AL 5688-E
- December 10, 2019 – Received disposition letter approving AL 5688-E
- March 12, 2020 - Hosted PG&E's DPAG Meeting on updates to the Calflax deferral opportunity via Webinar

This advice letter requests approval to cancel the solicitation of candidate DER distribution deferral project Calflax Bank 2 at Calflax substation.

### **3. Summary of Reasons**

PG&E's decision to request approval to cancel the solicitation for the distribution deferral opportunity Calflax Bank 2 at Calflax Substation is primarily due to changes in the load forecast due to a large new load application for an electric vehicle (EV) DC fast charging station. The impact of the new load forecast is that the local area need is now 10-15 MW and the area has baseload (24/7) operational requirements due to the EV charging.

The load growth also accelerates the need from 2023 to 2022. This means that there is urgency to implementing the substation upgrades that will not be served by having an RFO where DERs are unlikely to be able to defer the investment. Moreover, there is also additional uncertainty in the forecast due to new interest from parties interested in adding EV charging station load, particularly fast charging stations. The load growth also resulted in a change from a Tier 1 to a Tier 3 ranking (not recommended for solicitation) using the DIDF Prioritization Metrics as shown below.

There was consensus feedback, including feedback from the Independent Professional Engineer (IPE), at the March 12, 2020 DPAG meeting to cancel the solicitation for the Calflax Bank 2 deferral opportunity as the load increase and change to baseload need makes it unlikely that DERs can defer the investment.

### **4. Prioritization Metrics**

In D.18-02-004, three metrics were adopted to characterize and help prioritize projects on the candidate deferral shortlist. These metrics are: a) Cost-Effectiveness, b) Forecast Certainty, and c) Market Assessment.

As described in detail in PG&E's 2019 DDOR,<sup>1</sup> PG&E has evaluated each of these metrics qualitatively, grouping the candidate deferral opportunities into tiers based on their relative rankings. The prioritization metrics incorporate lessons learned from prior solicitations. For example, candidate deferral opportunities that have baseload (24/7) operational requirements were given a relatively low ranking.

PG&E's preliminary prioritization and ranking of candidate deferral opportunities were published in PG&E's 2019 DDOR. The prioritization metrics and tiering were then thoroughly discussed and updated throughout the DPAG process. Due to red flags being identified for the cost effectiveness, forecast certainty, and market assessment prioritization metrics, the Calflax Bank 2 candidate deferral opportunity has changed from Tier 1 to Tier 3, as shown in Table 2 below.

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<sup>1</sup> PG&E's 2019 DDOR, published on November 15, 2019, Section 7.4

Table 2: Summary of Prioritization Metrics for the Calflax Bank 2 candidate deferral opportunity

Prioritization Metrics Summary	2019 DDOR	Updated Forecast
Cost Effectiveness		
Forecast Certainty		
Market Assessment		
Tier	1	3

### **5. Commission Action Requested**

Pursuant to D.18-02-004, PG&E requests that the Commission's approval to cancel competitive solicitations to procure distributed energy resources (DER) solutions for Calflax Bank 2 project.

### **Tariff Revisions**

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 16, 2020. Protests must be submitted to:

CPUC Energy Division  
 ED Tariff Unit  
 505 Van Ness Avenue, 4<sup>th</sup> Floor  
 San Francisco, California 94102

Facsimile: (415) 703-2200  
 E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

PG&E requests that this Tier 2 compliance advice submittal become effective on either the date of Energy Division disposition approving the advice letter or, if necessary, the date of the Commission Resolution approving the advice letter.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for R.14-08-013 and R.14-10-003. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

cc: Service Lists R.14-08-013 and R.14-10-003  
Gabe Petlin – Energy Division  
Robert Peterson – Energy Division



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5794-E

Tier Designation: 2

Subject of AL: Notice to Cancel Competitive Solicitations for Distributed Energy Resource (DER) Procurement for Electric Distribution Deferral Opportunity at Calflax

Keywords (choose from CPUC listing): Compliance, Procurement

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date:

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Redwood Coast Energy Authority
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
Alta Power Group, LLC	Energy Management Service	SCD Energy Solutions
Anderson & Poole	Engineers and Scientists of California	SCE
Atlas ReFuel	Evaluation + Strategy for Social	SDG&E and SoCalGas
BART	Innovation	SPURR
Barkovich & Yap, Inc.	GenOn Energy, Inc.	San Francisco Water Power and Sewer
P.C. CalCom Solar	Goodin, MacBride, Squeri, Schlotz &	Seattle City Light
California Cotton Ginners & Growers Assn	Ritchie	Sempra Utilities
California Energy Commission	Green Power Institute	Southern California Edison Company
California Public Utilities Commission	Hanna & Morton	Southern California Gas Company
California State Association of Counties	ICF	Spark Energy
Calpine	IGS Energy	Sun Light & Power
Cameron-Daniel, P.C.	International Power Technology	Sunshine Design
Casner, Steve	Intestate Gas Services, Inc.	Tecogen, Inc.
Cenergy Power	Kelly Group	TerraVerde Renewable Partners
Center for Biological Diversity	Ken Bohn Consulting	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	Keyes & Fox LLP	TransCanada
City of Palo Alto	Leviton Manufacturing Co., Inc.	Troutman Sanders LLP
City of San Jose	Los Angeles County Integrated	Utility Cost Management
Clean Power Research	Waste Management Task Force	Utility Power Solutions
Coast Economic Consulting	MRW & Associates	Utility Specialists
Commercial Energy	Manatt Phelps Phillips	Water and Energy Consulting Wellhead
Crossborder Energy	Marin Energy Authority	Electric Company
Crown Road Energy, LLC	McKenzie & Associates	Western Manufactured Housing
Davis Wright Tremaine LLP	Modesto Irrigation District	Communities Association (WMA)
Day Carter Murphy	NLine Energy, Inc.	Yep Energy
Dept of General Services	NRG Solar	
Don Pickett & Associates, Inc.	Office of Ratepayer Advocates	
Douglass & Liddell	OnGrid Solar	
	Pacific Gas and Electric Company	
	Peninsula Clean Energy	