

# Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future Track 2 (Distribution System Operator Roles and Responsibilities) Kickoff Workshop

Proposed Process Amendments to Center Community Engagement and  
Achieve Environmental and Social Justice Goals

May 3, 2022



# Intro

- In the [Commission's Order](#) initiating this proceeding:

“California’s **Transportation Electrification and climate goals** are expected to result in millions of Electric Vehicles and Electric Vehicle Supply Equipment Distributed Energy Resources (DER) by 2030”

“**California policies, programs, and incentives** (e.g. Net Energy Metering and the Self Generation Incentive Program) continue to drive DER expansion . . . **Legislation** aimed at reducing GHGs from buildings, Commission proceedings, and **local reach codes** are likely to further drive electrification”

“This Order Instituting Rulemaking **anticipates a high-penetration DER future**”

- *This presentation: drive DER growth **From the Ground Up**.*

# Grid Inequality/Equitable Deployment

- Disadvantaged Communities (DAC) face “systematically lower circuit hosting capacity for PV” relative to non-DAC communities.
- Targeted grid (or non-wire) investments?

To achieve a high DER future, “there is an opportunity to **put at the front of the queue** communities with historically low DER adoption rates . . .”

[- Inequitable Access to Distributed Energy Resources Due to Grid Infrastructure Limits in California \(September 2021\) Brockway, Conde and Callaway.](#)

# Ensure *Meaningful* Community Engagement

- Four Step Logic Process - Missing Steps 1 and 2?
  1. Define high-level objectives for the power system;
  2. Determine the necessary requirements to achieve those objectives;
- How can a High DER future serve the needs of DAC residents?
  - Community priorities for decarbonization?
  - Community ownership of resources?
  - Community economic development opportunities?
  - *Are these needs or opportunities reflected in **cost-effectiveness** analyses?*
- The **CPUC manages** and starts the engagement process **as soon as possible**.
  - Establish relationships now to develop a future seat at the table (including but not limited to the Distribution Planning Process)

# Develop a Guiding Principle for Community Engagement to Achieve Environmental and Social Justice Goals

- Example from [the Decision approving community solar pilot projects](#) in the CPUC “San Joaquin Valley Proceeding”

(Replacing “Pilots” with “High DER” or “Distribution System Operator (DSO) Model”)

“**High DER/DSO Model** will advance community benefits including improvements to health, safety, reliability and air quality, and include local hire goals and/or a workforce development plan. Community support is a critical factor and will be considered along with the long-term benefits of improvements to health, safety, reliability, air quality, and reduction of greenhouse gas emissions . . . and ensures bill savings and affordability for participants.”

# **Determine how to Fund Community Engagement**

- CPUC Intervenor Compensation Program – too many barriers/limitations for community residents and community-based organizations?
- CPUC Community Engagement Funding Pilot Program (in development; why just a pilot?)
- \$16M not spent from Administrative Law Judge Ruling Modifying the Distribution Investment Deferral Framework Process (R.14-08-013)
- Other Sources? The California Energy Commission's Electric Program Investment Charge (EPIC) program?

# Proposed Next Step

## Set a Community Engagement Workshop

- To be held prior to Workshops 1-4
- Energy Division to work with stakeholders/parties/Disadvantaged Communities Advisory Group: content and invites
  - Leverage work on “scope and funding of a potential community engagement needs assessment during the third quarter of 2022 to inform Track 1, Phase 2.”
- Establish **funding mechanisms** for community engagement
- Workshop to produce a **Draft Community Engagement Plan** subject to stakeholder and party comment
  - The Draft Community Engagement Plan should include a Guiding Principle(s) and inform this and other future Tracks/Phases of the Proceeding
- In the future, workshops around the State?
  - Hybrid in-person/virtual/on/offline to expand reach?