

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

Application of Southern California Edison Company (U338E) for Authority to Increase its Authorized Revenues for Electric Service in 2018, among other things, and to Reflect that increase in Rates.

Application 16-09-001
(Filed September 1, 2016)

**MOTION FOR PARTY STATUS OF THE
LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION**

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For the LOCAL GOVERNMENT SUSTAINABLE
ENERGY COALITION (LGSEC)

January 30, 2017

Pursuant to Rule 1.4 (a)(4) of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), the Local Government Sustainable Energy Coalition (LGSEC)¹ submits this Motion for Party Status in the Application of Southern California Edison Company (SCE) for Authority to Increase its Authorized Revenues for Electric Service in 2018, Among Other Things, and to Reflect that Increase in Rates (General Rate Case or GRC), A.16-09-001. LGSEC has determined that the interests of its members will be directly affected by the outcome of this proceeding after review of the December 2, 2016 Scoping Memo and Joint Ruling of the Assigned Commissioner and Administrative Law Judges as well as the October 21, 2016 Assigned Commissioner's Ruling on Track 3 Issues in the Distribution Resources Plans Rulemaking, R.14-08-013². In particular, SCE's proposals for grid modernization to support distribution grid safety, reliability, and enable distribution energy resource (DER) deployment and adoption will have a direct impact on local governments within SCE's service territory and potentially throughout the state as well.

Local governments play an important role in developing DERs as well as facilitating the deployment of DERs by others. The range of technologies employed is varied and includes, but is not limited to, distributed generation, demand response, solar, storage and electric vehicles.

Local governments adopt energy, climate action, transportation, land use and economic

¹ The LGSEC is a statewide membership organization of cities, counties, associations and councils of government, special districts, and non-profit organizations that support government entities. A list of our members can be found at www.lgsec.org.

² See Assigned Commissioner's Ruling on Track 3 Issues, October 21, 2016 in Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769 (DRP), R.14-08-013 and Related Matters A.15-07-002, A.15-07-003, A.15-07-006.

development plans that can rely on DER installation throughout their jurisdictions. Local governments operate and participate in financing programs, such as Property Assessed Clean Energy, that facilitate DER installation by their constituents. Local governments install DERs at their own government facilities. Accordingly, local governments are beginning to pilot and develop microgrids as part of our energy resiliency, emergency response and disaster preparedness responsibilities. In addition, LGSEC's local government members are often first responders to safety, electricity and energy resource emergencies within their jurisdictions. In all these respects, and others, local governments play a key role in energy security along with the utilities, including SCE.

The LGSEC is the only statewide organization that advocates before California's energy and environmental regulatory agencies for the interests of local governments. For this reason, among others, LGSEC's interest in this proceeding cannot be adequately represented by any other party to this proceeding. Our members are leaders among local governments in energy efficiency, renewable energy, climate action planning, and related issues. LGSEC's local government members have unique authority, policy and implementation responsibility for many of the state's energy and climate action goals, often meeting and exceeding state statutory mandates. The LGSEC has been an active participant for many years in CPUC proceedings on these issues.

The LGSEC does not seek to expand the scope of the proceeding. We are active participants in the related Distributed Energy Resource Planning proceeding (R.14-08-013) and the Integrated Distribution Energy Resource Proceeding (R.14-10-003). The Commission has

recognized the linkages between these policy, ratemaking and program design forums and SCE's GRC proposal in its Scoping Ruling and other recent rulings.³ The Commission has specifically prioritized grid modernization and the distribution investment deferral process framework development as the first issues for Track 3 consideration in the DRP. In requiring near term policy decisions in Track 3, the Commission explicitly noted both SCE's DRP request for a Memorandum Account in the DRP to record \$100 million in automation and information technology capital expenditures as well as the nearly \$1.7 billion in grid modernization capital investments requested in this GRC. As the Commission stated:

...one of the principal objectives of Assembly Bill 327 and this proceeding is "to minimize overall system costs and maximize ratepayer benefit from investments in distributed resources." Without a deferral identification and authorization process in place, one of the central goals of this proceeding, the use of DERs to reduce costs to ratepayers, will remain unrealized, and the progress made in developing the LNBA methodology and competitive solicitation process will be in vain."⁴

LGSEC is keenly focused on the relationship between statewide policy development and guidance pending in the DRP and this SCE GRC. LGSEC will actively participate in these issues within this proceeding.

LGSEC supports the Commission's consideration of SCE's grid modernization proposal in this proceeding. The Commission must ensure that SCE's GRC is well coordinated with the DRP where statewide policy is being made for the first time on a statewide basis. LGSEC does not object to SCE's GRC proposal providing a real world example of one utility's preferred approach to the next generation of distribution technology in the DRP context. However, the

³ See Scoping Memo and Joint Ruling of Assigned Commissioner and Administrative Law Judges (December 2, 2016) in SCE's GRC, A.16-09-001, pp.9-10. See also, Assigned Commissioner's Ruling on Track 3 Issues, October 21, 2016 in Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769 (DRP), R.14-08-013 and Related Matters A.15-07-002, A.15-07-003, A.15-07-006, pp. 5-7 and 8-9.

⁴ The Ruling also noted that it anticipates a similar major grid modernization request from SDG&E in their next GRC due this year. *Id.*, at pages 9-10.

Commission must inform its decision on SCE's grid modernization proposal with meaningful guidance from the broader DRP forum on a wide range of issues, including but not limited to, cost, technology choice, cost-effectiveness, market impacts, potential investment deferral, distribution reliability criteria, and opportunities for customer as well as local government initiated investments in DERs and data access. LGSEC is concerned that without guiding principles, SCE's GRC request could potentially burden rather than facilitate local government resource and energy efficiency procurement decisions, including those made by Community Choice Aggregators ("CCAs"). Consideration of SCE's GRC grid modernization request before a guidance decision is issued in the DRP could improperly undermine DER resource planning and cost-recovery proceedings that are required by law and currently underway at the Commission.

LGSEC is supportive of SCE's proposal to upgrade its distribution infrastructure to support DER deployment, but not at any cost, using any technology only in locations designated by SCE. LGSEC urges the Commission to include meaningful input from local governments on grid modernization in this SCE GRC, the DRP and other forums going forward. LGSEC's initial review of the application found that SCE has not provided a compelling reason for urgent cost-recovery of the requested \$1.7 billion in capital investment starting in 2018. SCE's aging distribution infrastructure does not necessitate emergency investments in SCE's proposed "plug and play" distribution grid.

SCE's proposal conflates its reliability concerns with its other policy and planning objectives in describing the comprehensive end state its proposal is designed to achieve. This may make sense for the long term. However, given the enormous cost, technology choices, investment and implementation commitments necessitated by a permanent and ubiquitous

facilities' overhaul, a more comprehensive and thorough review is required than might otherwise be sufficient for a GRC distribution facilities request. It requires the measured and meaningful statewide policy guidance now developing in parallel with this proceeding. LGSEC urges the Commission not to rush its statewide policy proceeding. That forum is dedicated to examining and balancing the various policy and stakeholder interests directly impacted by SCE's expensive and comprehensive redesign of its future distribution grid. In turn, SCE's proposal will also have direct impacts on integrating DERs with the transmission grid and potentially, on related wholesale energy markets as opportunities for increased participation open for DERs.

LGSEC seeks to become a party to this proceeding, therefore, in order to analyze the SCE Application and proposals submitted by the parties, comment on those proposals, participate in evidentiary hearings and perhaps craft additional proposals with respect to those issues identified in the Commission's Scoping Ruling that directly affect the LGSEC's interests.

The LGSEC requests that, should the Commission grant LGSEC's motion, the following person be added to the service list on behalf of LGSEC:

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Based on the foregoing, LGSEC respectfully requests that its motion be granted and that LGSEC be given active party status in this proceeding.

Respectfully submitted,



By: _____
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