BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013 (Filed August 14, 2014)

THE BIOENERGY ASSOCIATION OF CALIFORNIA'S COMMENTS ON THE ASSIGNED COMMISSIONER'S RULING RE DRAFT GUIDANCE FOR USE IN UTILITY AB 327 (2013) SECTION 769 DISTRIBUTION RESOURCE PLANS

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The Bioenergy Association of California (BAC) submits these Comments on the Assigned Commissioner's Ruling re Draft Guidance for Use in Utility AB 327 (2013) Section 769 Distribution Resource Plans. BAC appreciates the opportunity to provide comments on the Draft Guidance, which lays out important goals and helpful direction in several areas. The Draft Guidance, however, omits three critical areas in the guidance laid out in Part 4:

1. The Draft Guidance almost completely omits flexible generation Distributed Resources;

2. The Draft Guidance omits distributed bioenergy generation from the technologies to be considered; and

3. The Draft Guidance does not provide clear direction about how the utilities should maximize or even incorporate greenhouse gas reductions as part of their DRPs.

The Bioenergy Association of California is an association of more than 50 local governments, public agencies, private companies and nonprofits working to promote sustainable, community scale bioenergy development. This includes distributed generation power generated from organic waste, landfill gas, both the biogas and biosolids from wastewater treatment.

Distributed bioenergy can provide flexible, load following generation and energy storage. It has all the operational benefits of natural gas while providing greater greenhouse gas reductions than any other form of electricity because it replaces fossil fuel use and reduces greenhouse gas emissions from organic waste. Those emissions include methane from decomposing organic waste and black carbon from wildfire, both of which are many times more potent climate pollutants than carbon dioxide emissions.[1]

The Assigned Commissioner's Ruling recognizes the importance of reducing greenhouse gas emissions in the DRP's:

> The Primacy of AB 32 and Executive Order S-21-09 mean that, in order to deliver benefits, major energy policies initiatives must necessarily support the achievement of 2020 and 2050 greenhouse gas (GHG) reduction targets. The DRPs are no different . . . the underlying rationale for promoting increased deployment of the DERs specified by statute is that they have a critical role to play in meeting California's policy of significantly reducing GHG emission from the State's electricity and transportation systems.[2]

The Draft Guidance does not, however, provide direction to the utilities on how to integrate flexible generation DERs or how to quantify the GHG reduction from different types of DER.

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[1] *First Update to the Climate Change Scoping Plan,"* adopted by the California Air Resources Board in May 2014, at pages 17-25.

[2] Assigned Commissioner's Ruling at page 4.

1. The Final Guidance Should Provide Specific Direction to the Utilities to Consider Flexible Generation Resources.

The Assigned Commissioner's Ruling highlights the recommendations of the More than Smart Vision, which includes the following:

> "Flexible DER can provide value today to optimize markets, grid operations and investments . . . Flexible DER can provide a wide range of value across the bulk power and distribution systems."[3]

Despite this recognition, the Guidance provided in Part Four of the Assigned Commissioner's Ruling omits flexible generation from most sections the guidance.[4] BAC recommends that the Final Guidance include:

- Specific direction to the utilities to include flexible generation resources in the Integration Capacity Analysis, DER Growth Scenarios, and Locational Benefits sections of their DRPs;
- Specific direction to the utilities to include consideration of the benefits of flexible generation DERs in their demonstration of Optimal Locations Benefits Analysis; and
- Specific direction to the utilities to include a comparison of the costs and benefits of flexible generation compared to energy storage, and opportunities to increase flexible generation to increase reliability and better integrate intermittent renewables.

2. The Final Guidance Must Include Distributed Bioenergy Among the Technologies to be Considered in the DRPs.

The Draft Guidance lists a number of technologies in the discussion of "Distribution system characteristics," including electric vehicles, backup generators, intermittent resources, and combined heat and power.[5] The list of Distributed Renewable Generation technologies includes photovoltaics, wind, stationary fuel cells, combined

[3] Assigned Commissioner's Ruling at page 8.
[4] Id. at pages 15-18.
[5] Id. at page 20.

heat and power, and stationary I-C engines, without differentiating whether fuel cells, combined heat and power or I-C engines are using fossil or renewable fuels.[6] The consideration of distribution system characteristics should include flexible generation DER generally and bioenergy in particular as it can help to integrate intermittent renewables and provide other benefits to the distribution and transmission systems. The list of distributed renewable generation technologies should include bioenergy generation and should specify whether distributed technologies are using fossil or renewable fuels.

3. The Final Guidance Should Direct the Utilities to Include an Assessment of the Relative GHG Reductions from Different DERs.

Despite emphasizing the importance of distributed generation to meet the state's GHG reduction goals, the Draft Guidance does not provide direction to the utilities on how to maximize cost-effective GHG reductions or even to assess the relative GHG reductions from different types of DERs. As the California Air Resources Board's analyses under the Low Carbon Fuel Standard make clear, there is a wide range of GHG reductions associated with different fuels, including between different types of DER.[7]
BAC recommends directing the utilities to include an assessment of GHG reductions as part of the optimal locational benefits analysis, the assessment of marginal pricing, the DER growth scenarios, and the proposed policy on data sharing.

The Distribution Resource Plans can help California to meet its renewable energy, distributed generation and greenhouse gas reduction goals. To do so, however, requires greater specificity than the Draft Guidance requires. Adding the specific directions described above would help to ensure that the DRPs meet the goals of AB 327 and other policies described in the Assigned Commissioner's Ruling.

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[6] Id. at page 27.
[7] See ARB's Look-Up Table for carbon intensities of various fuels, available at: http://www.arb.ca.gov/fuels/lcfs/lcfs.htm.

DATED: December 12, 2014

Respectfully submitted,

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VERIFICATION

I am a representative of the non-profit organization herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 12th Day of December, 2014, at Kensington, California.

/s/ Julia A. Levin

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