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PRESS RELEASE

Docket #: R.19-09-009

**CPUC ADOPTS STRATEGIES TO HELP FACILITATE
COMMERCIALIZATION OF MICROGRIDS STATEWIDE**

SAN FRANCISCO, January 14, 2021 - The California Public Utilities Commission (CPUC), in its ongoing efforts to build resilient communities, today adopted rates, tariffs, and rules for Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) to facilitate commercialization of microgrids across California, and strategies for procurement of backup power in advance of the wildfire season.

Under existing CPUC rules and state law, customers throughout California can already build and operate microgrids. Today's Decision advances the CPUC's continuing goal of further facilitating the commercialization of microgrids, which includes implementing standards, protocols, guidelines, methods, rates, and tariffs to reduce barriers for microgrid deployment statewide. Specifically, today's Decision orders six primary actions from the utilities:

1. SCE to revise its Rule 2 to permit installing added or special facilities microgrids.
2. SCE and PG&E to revise their Rules 18 and SDG&E to revise its Rule 19 to allow local government microgrids to service critical customers on adjacent parcels.
3. SCE, PG&E, and SDG&E to each create a renewable microgrid tariff that prevents cost shifting for their territories.
4. SCE, PG&E, and SDG&E to jointly develop a statewide Microgrid Incentive Program with a \$200 million budget to fund clean energy microgrids to support the critical needs of vulnerable communities impacted by grid outages and test new technologies or regulatory approaches to inform future action.
5. SCE, PG&E, and SDG&E to develop pathways for the evaluation and approval of low-cost, reliable electrical isolation methods to evaluate safety and reliability.



6. Resolves issues related to temporary generation from Track 1 by adopting an interim approach for minimizing emissions from backup generation during utility Public Safety Power Shutoff (PSPS) events with a transition to clean temporary generation in 2022 and beyond. Included in the approach is the requirement for the utilities to have ongoing consultation with local air quality agencies, aimed at ensuring the deployment of temporary generation complies with applicable air regulations towards minimizing emissions and achieving a 90 percent reduction in criteria pollutants, including the use of alternative fuels like hydrotreated vegetable oil.

In addition, today’s Decision also formalizes the creation of a Resiliency and Microgrids Working Group to facilitate thoughtful and informed discussions to continue to support the goal of resiliency and the commercialization of microgrids within Track 3 of this proceeding.

“This Decision builds on our efforts to reduce barriers for the commercialization of microgrids while keeping an eye to ratepayer equity and supporting vulnerable and low-income communities,” said Commissioner Genevieve Shiroma, who is assigned to the proceeding. “Additionally, the Decision addresses resiliency to keep customers energized for the upcoming 2021 fire season, including a transition plan to clean back-up generation for 2022 and beyond. We will continue to actively engage with stakeholders to make the grid more resilient for all.”

“This Decision is an important step forward in streamlining and studying microgrid deployment,” said CPUC President Marybel Batjer. “In addition to a new tariff, the newly approved incentive program and working groups will help us chart a path towards building a stronger, more resilient grid with insights into the costs and benefits of microgrids.”

This Decision is the latest in a series of actions that the CPUC has taken to improve preparation for the upcoming wildfire season. Other actions are described at www.cpuc.ca.gov/psps.

In response to Senate Bill (SB) 1339 (Stern, 2018), the CPUC initiated Rulemaking 19-09-009 to facilitate the commercialization and deployment of microgrids while prioritizing system, public, and worker safety and avoiding shifting costs between ratepayers. The proceeding is organized into three tracks and this proposal is focused on Track 2 issues. The [Track 1 Decision](#) was approved on June



11, 2020 and adopted a suite of short-term solutions to accelerate deployment of microgrids and improve resiliency for the 2020 PSPS season.

The proposal voted on is available at

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M359/K865/359865952.PDF>.

Documents related to the proceeding are available at

https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R1909009.

More information on the CPUC's microgrids efforts are available at

www.cpuc.ca.gov/resiliencyandmicrogrids.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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