

# Joint IOU Recommendations on DER Procurement Process Pilot

August 4, 2016



# Topics to Cover

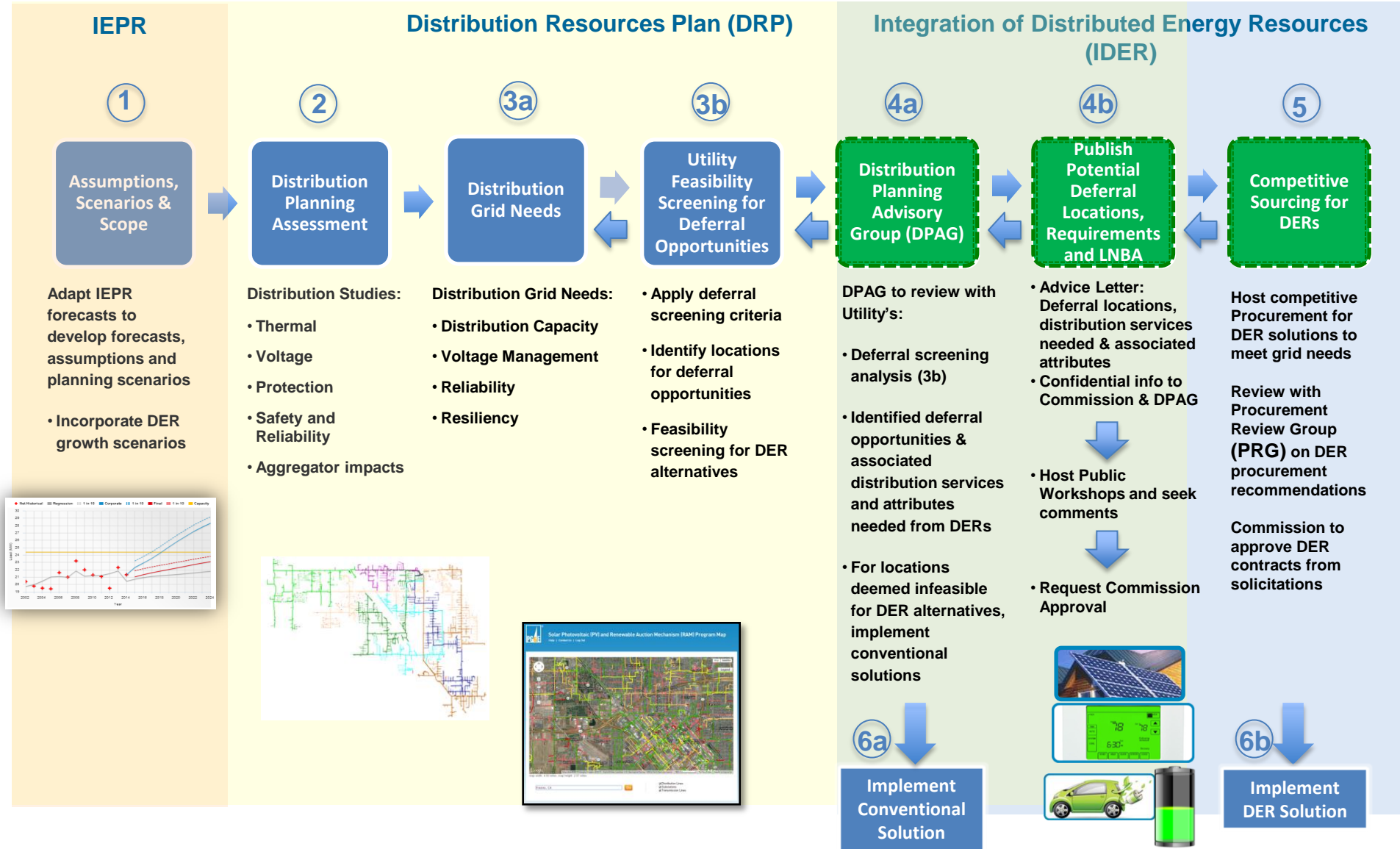
## Joint IOUs support piloting proposed DER Procurement Process

- **Near Term Process Improvement Opportunities**
  - Integration of DER procurement pilot process proposal with utilities distribution planning process
  - Set up a distribution deferral framework
  - Initiate and test the DPAG
  - Test the utilities DER market solicitation and procurement processes
- **Proposed timelines and schedule for DER procurement pilot process**
- **Alternative approach**
  - SCE's concept for a pre-approved DER procurement authorization framework

# Joint IOU Comments on Regulatory DER Procurement Process Pilot (Question 6)

- 1. DER Procurement Process Pilot timing and scope should be tied to utility's distribution planning process**
- 2. DER Procurement Process Pilot should be streamlined and shortened**
- 3. DER Procurement Process Pilot should include options for utility to pursue a conventional solution, if DER solution is not likely to materialize**
- 4. Commission should create a pre-approved DER procurement authorization framework (AB57 style framework for DERs)**
- 5. Customer Engagement requires further discussion**
- 6. Role of DPRG (now called DPAG) should be clarified to distinguish it from the PRG**

# Joint IOU Proposal to Improve ACR's Proposed DER Procurement Process



**DER Procurement Process Pilot should be coordinated with the Distribution Planning Process**

# Distribution Services, Attributes & Performance Requirements

- **Consensus Achieved on Basic Distribution Service Definitions**

- **Distribution Services**

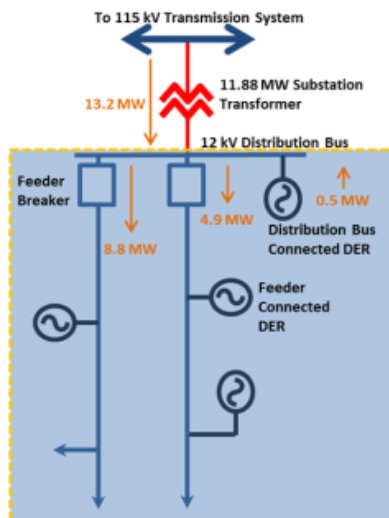
- Distribution Capacity
- Voltage Management
- Reliability (Back tie)
- Resiliency (Microgrid)

- **Distribution Service Attributes**

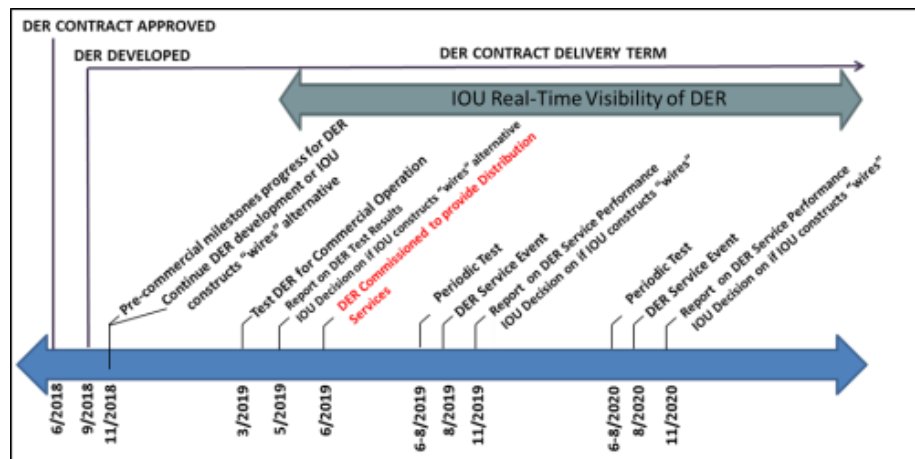
- Locational Specificity for Services
- Level or Magnitude of Required DER Response
- Timing and Duration of DER Response
- DER Availability and Assurances

- **DER Performance Requirements**

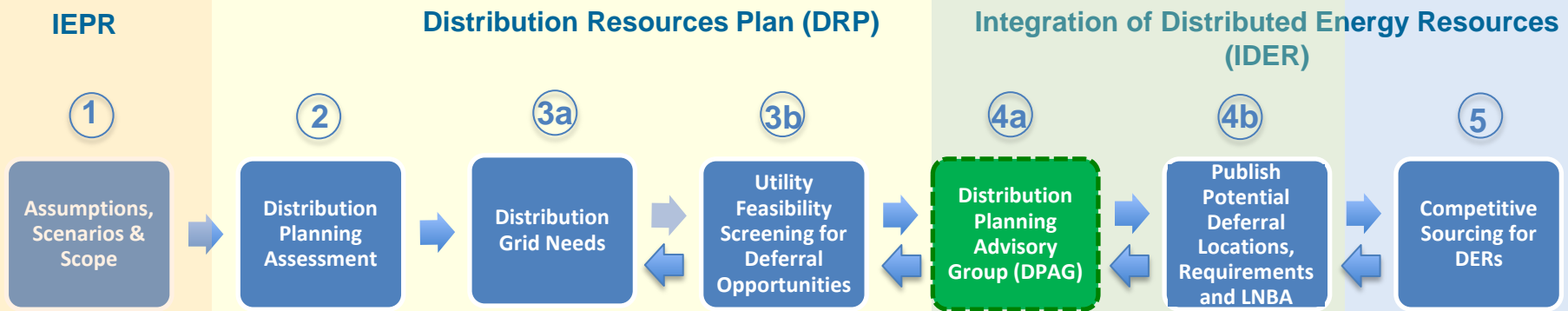
- System Availability
- Data Availability
- Response Time
- Quality of Response



DER Attributes to Procure	YEAR				
	2017	2018	2019	2020	2021
Distribution Capacity Need (MW)	-	-	1.4	2.6	3.6
Distribution Capacity Need (MVAR)	-	-	-	-	-
Months when needed	-	-	Aug-Sept	Aug-Sept	July-Sept
Days when needed	-	-	All	All	All
Time when needed	-	-	15:00-20:00	14:00-20:00	14:00-20:30
Duration (hours/day)	-	-	5	6	6.5
Frequency of Need (days/month)	-	-	1	3	5

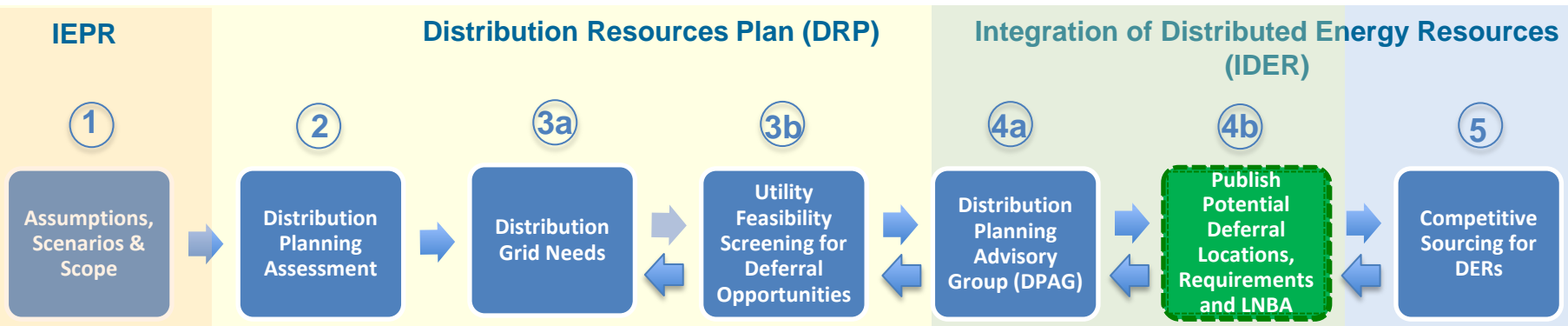


# Joint IOU Proposal to Improve ACR's Proposed DER Procurement Process



- **DPAG** comprised of eligible non-market participant parties
- **DPAG Roles and Responsibilities:**
  1. Review utility's deferral opportunity locations and provide feedback
  2. Review distribution services and attributes for identified deferral opportunity locations and provide feedback
- **DPAG** will have an Independent Professional Engineer (IPE) to provide technical review support on identified deferral opportunity locations, distribution services and attributes
- IPE will also provide technical DER alternative review support for the PRG
- Estimating 30 to 60 days to complete this step

# Joint IOU Proposal to Improve ACR's Proposed DER Procurement Process



## Publish Potential Deferral Locations and Requirements

### No. Tasks

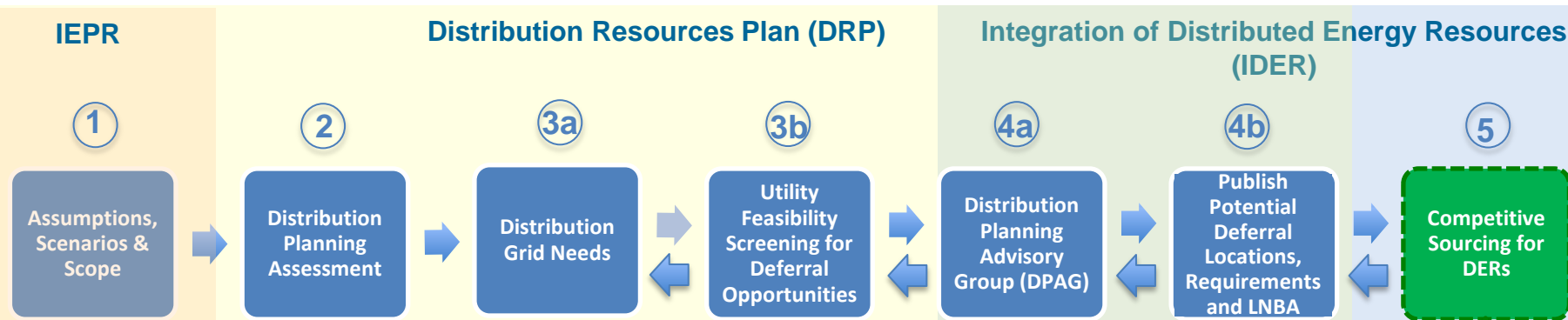
### Timeline Range (days)

1. Tier 3 Advice Letter filing - Deferral locations, distribution services needed & associated attributes - Confidential information provided to Commission and DPAG	10 to 30
2. Host Public Workshops - Discuss local area needs identified in advice letter	5 to 10
3. Seek Parties' Comments on Advice Letter	10 to 15
4. Request streamlined Commission approval of scope	90 to 120

### **Total Timeline**

**115 to 175**

# Joint IOU Proposal to Improve ACR's Proposed DER Procurement Process

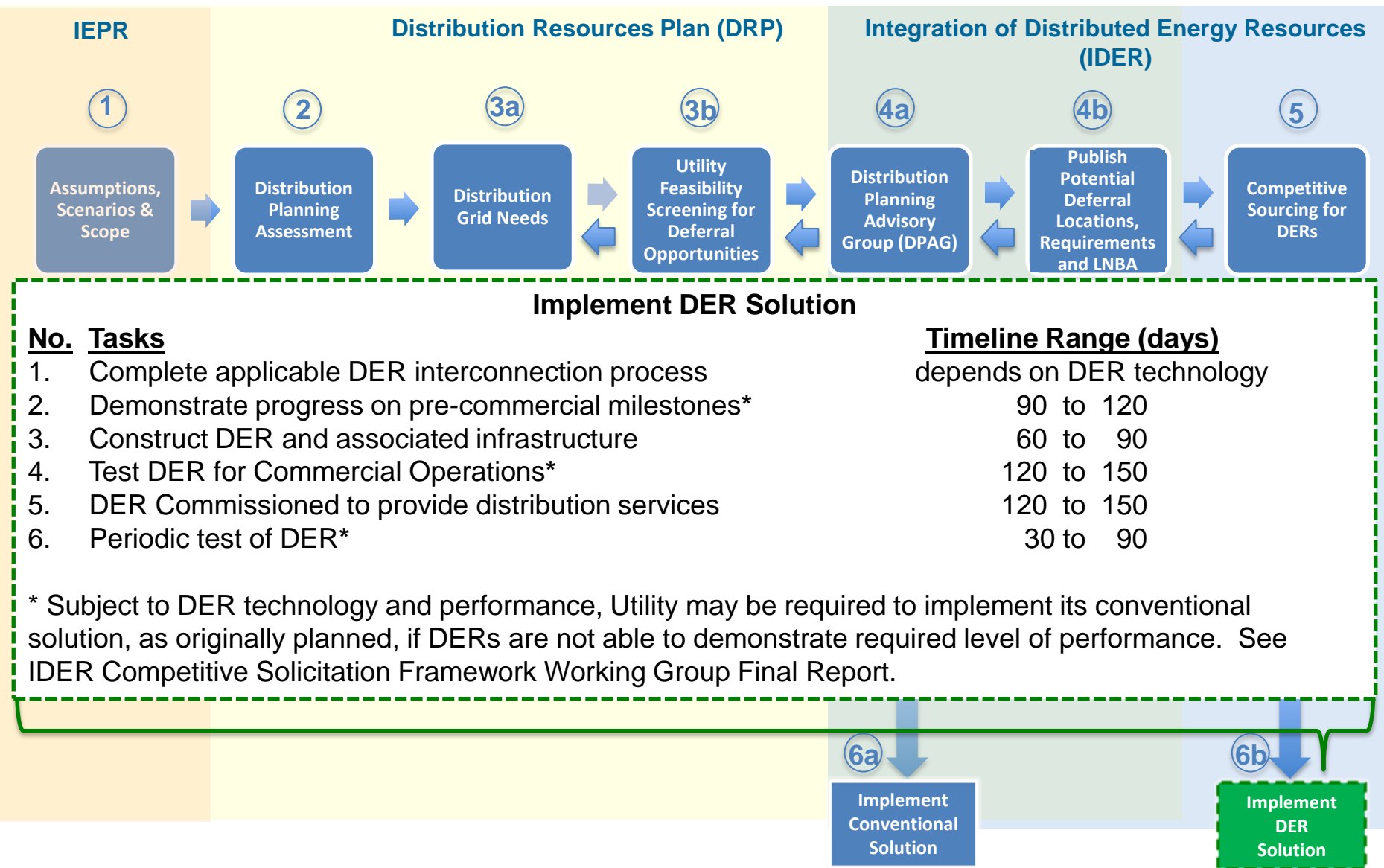


## Competitive Procurement

<u>No.</u>	<u>Tasks</u>	<u>Timeline Range (days)</u>
1.	Develop and Issue Competitive Solicitation materials	30 to 60
2.	Offers Received by Utility	30 to 60
3.	Offer Evaluation (Process and evaluate offers, develop shortlist)	30 to 90
4.	Negotiate and Execute DER agreements	120 to 180
5.	Prepare and File DER agreements for CPUC Approval	30 to 60
6.	CPUC Approval of DER agreements and cost recovery	90 to 360
<b>Total Timeline</b>		<b>330 to 810</b>



# Joint IOU Proposal to Improve ACR's Proposed DER Procurement Process



# Conclusions

- Piloting DER Procurement Process will allow for testing the sourcing of DERs for distribution needs, which will be vital to the ultimate success of combined DRP and IDER efforts
  - Coordination with DRP and Distribution Planning Process needed
  - Establishes and differentiates roles of DPAG and IPE, while demonstrating role of PRG in this context
  - Should allow for development of mechanism for the utility to implement its conventional solution, if a DER solution is not likely to materialize
- Improvements to streamline and expedite procurement process needed for piloting
  - Advice Letters on DER opportunities
  - Explore opportunities to streamline by standardizing portions of procurement process
- The mature process will ultimately need to resolve several issues not yet addressed in detail