

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

Order Instituting Rulemaking Regarding
Microgrids Pursuant to Senate Bill 1339 and
Resiliency Strategies.

R.19-09-009

**MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) TO
SUPPLEMENT JANUARY 21, 2020 RESPONSE**

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**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) MOTION TO
SUPPLEMENT JANUARY 21, 2020 RESILIENCY PROPOSAL**

I.

INTRODUCTION

Pursuant to Commission Rule 11.1, Southern California Edison Company (“SCE”) moves to supplement *SCE’s Resiliency Proposal and Response to Administrative Law Judge’s Ruling* (“SCE’s January 21 Proposal”). SCE’s January 21 Proposal provided the Commission and stakeholders with an overview of its microgrid-related activities and resiliency strategy for 2020, which focused on mitigating the frequency, impacts, and duration of wildfire and Public Safety Power Shutoff (PSPS) events in 2020. As part of that filing, SCE identified in-flight microgrids and microgrid-related activities, pilots and demonstrations, and other resiliency strategies that are focused on mitigating impacts from wildfires and PSPS events. SCE also discussed the possibility of deploying one or more PSPS-related microgrids as pilots in 2020. The potential pilot focused on determining if there were locations near PSPS-impacted circuits where microgrids could be deployed to mitigate customer impacts from PSPS events during the 2020 wildfire season. With that in mind, SCE issued a request for proposals (RFP) to a set of qualified vendors already “on-boarded” to SCE’s systems (e.g., vendors familiar with SCE

cybersecurity requirements and registered and graded in SCE's contractor safety process). This Motion to Supplement is designed to provide this proceeding and all stakeholders with an update on the results and findings from SCE's 2020 Microgrid Pilot RFP.

II.

DISCUSSION

A. SCE's 2020 Microgrid Pilot RFP Determined that Cost-Prohibitive "Fast-Deployment" Microgrids Are Not an Effective Tool to Mitigate PSPS Impacts for 2020

Over a two-month period in January and February 2020, SCE prepared, issued, and evaluated responses to an RFP for microgrid projects to be deployed and operational by September 1, 2020. This was a particularly aggressive schedule driven by the desire to deploy a microgrid in time to for the peak wildfire season in the 2020 calendar year. In response, SCE received a limited number of proposals that were technically viable but cost prohibitive and reliant on fossil-fueled natural gas generation. Microgrid costs for the various sites identified in the RFP ranged from approximately \$15 million to over \$30 million. In the best-case scenario, these microgrid costs were 13 times more expensive than viable alternative solutions, and in other cases, exceeded 100 times the costs of alternatives.

SCE believes that the small number of bids and their prohibitive cost can readily be attributed to the scheduling and technical constraints associated with seeking to have a project in place by the 2020 wildfire season. This short timeline limited the number of bidders SCE could consider to a small pool of "pre-qualified" vendors. In turn, the vendors had only two weeks to prepare their RFP responses, which is understandably difficult given project scope and the complexity of delivering a turnkey microgrid project -- including acquiring the necessary land rights -- by 2020. Moreover, having the project in place by 2020 meant that the project would not interconnect through the normal tariff queuing processes and, therefore, could not participate

in power markets. As such, the vendors needed to price their bids to recover microgrid costs without taking advantage of any market revenues.

SCE does not believe that incurring the high costs reflected in the microgrid bids would be in the best interest of its customers. As such, SCE plans to deploy alternative mitigation solutions that are set forth below.

B. SCE is Evaluating Alternative Microgrid-Related PSPS Mitigation Solutions for Approximately 25 PSPS-Impacted Circuits

SCE is evaluating alternative, microgrid-related, PSPS mitigation solutions for approximately 25 PSPS-impacted circuits, including the six microgrid candidate locations identified in the 2020 Pilot RFP. Specifically for 2020, SCE intends to rely on temporary generators and manual transitions to energize portions of the grid impacted by PSPS for the 2020 wildfire season, as appropriate and feasible. First, SCE is evaluating the feasibility of accelerating planned future covered conductor deployment and/or adding new planned scope.¹ Second, SCE is considering siting two types of temporary back-up generation at or near PSPS-impacted circuits. Portable diesel generation is the most commercially feasible option today and is an existing mitigation SCE occasionally deploys to reduce the customer impact of certain long-duration maintenance and repair outages. SCE also started evaluating the feasibility of utility-scale transportable battery energy storage in 2019 and is currently exploring whether the latest product developments will make it possible to deploy such battery technology in the 2020-2021 timeframe. Third, SCE plans to deploy Customer Resource Centers near all six microgrid candidate locations identified in the RFP and is developing the Resiliency Zone program to provide customer backup generation to key non-residential customers in remote, rural communities.

¹ Note that covered conductor is not an exact substitute for a microgrid. Covered conductor deployment is expected to reduce the frequency of PSPS events; however, depending on current conditions, PSPS events may still be necessary.

C. SCE is Evaluating the Feasibility of a New Solicitation That Would Seek Microgrid Deployment in 2021 and/or 2022.

SCE is also pursuing potential microgrid pilot projects for deployment in 2021 and/or 2022, applying lessons learned from the 2020 Microgrid Pilot RFP. SCE is currently identifying locations from a larger pool of potential project sites. Candidate sites will be screened for existing or forecasted DERs that may be leveraged for a microgrid, as using existing DERs will likely increase microgrid project cost-effectiveness. However, existing DER capacity is likely insufficient to support extended islanding operations, so land availability for additional generation resources will also be a screening criterion. If one or more projects are selected, the Wholesale Distribution Access Tariff interconnection process can be started for any new front-of-the-meter resources so that these new resources can one day participate in CAISO markets and potentially qualify for Resource Adequacy, further improving their cost-effectiveness. With a less aggressive schedule than the 2020 RFP, SCE can solicit proposals from a larger pool of vendors and in turn, the vendors will have more time to develop their bids and can form partnerships, should they so desire, to deliver the full scope of a new multi-customer microgrid. SCE encourages all microgrid vendors, developers, and suppliers who are interested in responding to future SCE solicitations to register in SCE’s Supplier Registration portal.²

III.

CONCLUSION

Pursuant to Rule 11.1(d), SCE respectfully requests that the Commission grant this motion to supplement the record.

² **New suppliers to Ariba who never created an Ariba account should follow these steps:**
STEP 1 – Create an Ariba user account by clicking on the following link:
<http://sce.supplier.ariba.com/register>
STEP 2 – After completion of Step 1, you will receive an email from Ariba to complete your company’s profile. Click on the link provided in the email to log in and complete your supplier profile. Please note that you will have to click on the “Customer Requested” tab and respond to the five mandatory (asterisked*) questions for SCE. You can answer the remaining questions and upload the requested documents as information is available.

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