

AMENDED IN SENATE JUNE 18, 2020

AMENDED IN SENATE JUNE 2, 2020

AMENDED IN SENATE MAY 12, 2020

SENATE BILL

No. 1215

Introduced by Senator Stern

February 20, 2020

An act to amend Section 8370 of, and to add Section 8373 to, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 1215, as amended, Stern. Electricity: microgrids.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires the commission, in consultation with the State Energy Resources Conservation and Development Commission and the Independent System Operator, to take specified actions by December 1, 2020, to facilitate the commercialization of microgrids for distribution customers of large electrical corporations, including developing microgrid service standards necessary to meet state and local permitting requirements and developing methods to reduce barriers for microgrid deployment without shifting costs between ratepayers.

The bill would require the commission, in consultation with the Office of Emergency Services, to create a database of critical facilities and critical infrastructure, and related critical ~~circuits~~, *circuits that are located in tier 2 or tier 3 high fire-threat districts served by electrical corporations*, and identify with respect to each whether it serves a ~~high fire-threat district or vulnerable transmission area~~. *low-income and*

disadvantaged community. The bill would require an electrical corporation, electric service provider, or community choice aggregator, upon request, to collaborate with local governments within its service area to identify critical circuits and microgrid projects. The ~~will~~ *bill* would authorize the above listed entities and local publicly owned electric utilities to use capacity resulting from a microgrid project to satisfy specified resource adequacy requirements.

(2) Existing law requires the commission, in consultation with the Independent System Operator, to establish resource adequacy requirements for electrical corporations, community choice aggregators, and electric service providers.

This bill would require the commission and the Independent System Operator ~~Operator~~, *in an existing proceeding*, to develop a methodology to account for the resource adequacy value of distributed storage no later than March 31, 2021.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Deenergization of electrical infrastructure should be a last
- 4 resort strategy for wildfire prevention by electrical corporations.
- 5 Losing power for any extended period of time results in hardship
- 6 and losses for an impacted community. An electrical corporation
- 7 should take all necessary steps to ensure that any electricity outage
- 8 causes minimal disruption to its customers.
- 9 (b) Cities, counties, and special districts affected by
- 10 deenergization events have essential government services shut
- 11 down during these outages, affecting public health and safety.
- 12 (c) Critical facilities and critical infrastructure are vital public
- 13 resources that serve essential functions. Critical facilities may
- 14 include law enforcement and emergency response facilities,
- 15 schools, hospitals, prisons, and major roads, but can also include
- 16 facilities serving essential needs of a community, including
- 17 facilities that provide wastewater treatment or health assistance,
- 18 pharmacies, grocery stores, gas stations, local nonprofit
- 19 organizations, and emergency shelters. Uninterrupted electrical

1 supply to these facilities is essential in order to maintain public
2 health and safety.

3 (d) Medically vulnerable electricity customers face unique
4 threats to health and safety during outages. The longer a power
5 shutoff lasts, the more dangerous the consequences can become.

6 (e) The Office of Emergency Services' State of California Threat
7 and Hazard Identification and Risk Assessment outlines capability
8 targets for infrastructure systems during defined threats and
9 hazards. Those infrastructure system capability targets include
10 stabilizing critical infrastructure functions, including energy,
11 transportation, telecommunications, water, and wastewater services,
12 and public health and medical systems, within the first 72 hours
13 after an incident. In addition, communities that are in vulnerable
14 transmission areas or in high fire-risk areas should be a priority.

15 (f) Clean and renewable distributed energy resources, including
16 microgrids, that can disconnect from the grid can serve as a source
17 of electricity for critical loads during emergencies or disruptions
18 in the supply of electricity, thereby reducing the fire risk of
19 providing electrical service, and can improve overall electrical
20 grid resiliency. These same resources in nonemergencies can
21 enhance electrical distribution grid reliability, provide economic
22 benefits, and help the state meet its clean energy and greenhouse
23 gas emissions reduction goals.

24 SEC. 2. Section 8370 of the Public Utilities Code is amended
25 to read:

26 8370. For purposes of this chapter, the following definitions
27 shall apply:

28 (a) "Access and functional needs population" has the same
29 meaning as defined in Section 8593.3 of the Government Code.

30 (b) "Community choice aggregator" has the same meaning as
31 defined in Section 331.1.

32 (c) "Critical circuit" means an electrical circuit that supplies
33 electricity to one or more critical facilities or to critical
34 infrastructure, as reported to the commission by each electrical
35 corporation.

36 (d) "Critical customer" means a customer of an electrical
37 corporation receiving a medical baseline allowance pursuant to
38 Section 739 who resides within a high fire-threat district or
39 vulnerable transmission area, or a customer of a local publicly
40 owned electric utility enrolled in a life support discount program

1 who resides within a high fire-threat district or vulnerable
2 transmission area.

3 (e) “Critical facilities and critical infrastructure” means facilities
4 and infrastructure that are essential to health and public safety that
5 require assistance and advance planning to ensure their resiliency
6 during a deenergization event, as reported to the commission by
7 the Office of Emergency Services based on consultations with
8 local governments, including, but not limited to, facilities and
9 infrastructure within the United States Department of Homeland
10 Security’s critical infrastructure sectors.

11 (f) “Customer” means a customer of a local publicly owned
12 electric utility or of a large electrical corporation. A person or
13 entity is a customer of a large electrical corporation if the customer
14 is physically located within the service territory of the large
15 electrical corporation and receives bundled service, distribution
16 service, or transmission service from the large electrical
17 corporation.

18 (g) “Distributed energy resource” means an electric generation
19 or storage technology that complies with the emissions standards
20 adopted by the State Air Resources Board pursuant to the
21 distributed generation certification program requirements of Section
22 94203 of Title 17 of the California Code of Regulations, or any
23 successor regulation.

24 (h) “High fire-threat district” means a geographic area identified
25 by the commission as a Tier II or Tier III fire-threat area, where
26 there is an elevated or extreme risk for fires caused by electrical
27 infrastructure igniting and spreading rapidly.

28 (i) “Large electrical corporation” means an electrical corporation
29 with more than 100,000 service connections in California.

30 (j) “Local government” means a city, county, or city and county.

31 (k) “Microgrid” means an interconnected system of loads and
32 energy resources, including, but not limited to, distributed energy
33 resources, energy storage, demand response tools, or other
34 management, forecasting, and analytical tools, appropriately sized
35 to meet customer needs, within a clearly defined electrical
36 boundary that can act as a single, controllable entity, and can
37 connect to, disconnect from, or run in parallel with, larger portions
38 of the electrical grid, or can be managed and isolated to withstand
39 larger disturbances and maintain electrical supply to connected
40 critical infrastructure.

(l) “Project” means a microgrid project that meets the resiliency needs of a local government, joint powers authority, or special district and may include microgrid projects that meet the resiliency needs for critical facilities and critical infrastructure, critical customers, or customers from an access and functional needs population that can operate disconnected from the distribution system for a predetermined period of time.

(m) “Resiliency” means the ability to mitigate and recover from an electrical service disruption using generation resources that maintain all or essential electrical service to customers, including critical facilities and critical infrastructure. Electrical service disruptions include, but are not limited to, emergencies, natural disasters, planned or unplanned electricity outages, or other events that may cause disruptions to important public services.

(n) “Vulnerable transmission area” means a geographic area likely to experience a loss of electrical service from a planned deenergization event caused by an increased fire risk from electrical infrastructure located within a high fire-threat district.

SEC. 3. Section 8373 is added to the Public Utilities Code, to read:

8373. (a) (1) The commission, in consultation with the Office of Emergency Services, shall create a database of critical facilities and critical infrastructure, and related critical ~~circuits~~; *circuits that are located in tier 2 or tier 3 high fire-threat districts served by an electrical corporation*, and identify with respect to each whether it serves a ~~high fire-threat district or vulnerable transmission area~~; *including whether it serves low-income and disadvantaged communities within a high fire-threat district or vulnerable transmission area*. *The commission and the Office of Emergency Services may prioritize which critical facilities, critical infrastructure, and related critical circuits, or any combination of those items, to include within the database.*

(2) An electrical corporation shall collaborate upon request with local governments within its service area to identify critical circuits and microgrid projects.

(b) (1) An electrical corporation, electric service provider, or community choice aggregator may use capacity resulting from a microgrid project to satisfy the resource adequacy requirements established in Section 380 and a local publicly owned electric

1 utility may use that capacity to satisfy its resource adequacy
2 requirements pursuant to Section 9620.
3 (2) The commission and the Independent System ~~Operator~~
4 *Operator, in Rulemaking 17-09-020 (September 28, 2017) Order*
5 *Instituting Rulemaking to Oversee the Resource Adequacy*
6 *Program, Consider Program Refinements, and Establish Annual*
7 *Local and Flexible Procurement Obligations for the 2019 and*
8 *2020 Compliance Years*, shall develop a methodology to account
9 for the resource adequacy value of distributed storage no later than
10 March 31, 2021.

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