

August 20, 2020

Genevieve Shiroma, Commissioner  
California Public Utilities Commission

Dear Commissioner Shiroma,

I am writing to you to provide comments on R.1909009, the microgrid proceeding, and to provide some context on what it means to grocery companies, which provide essential community services, facing the instability of the grid. First of all, we at Nugget Markets greatly appreciate the Commission's effort to address regulations to accelerate the use of microgrid technologies in the state. As a progressive, family-owned grocer with nearly 100 years of operating history in California, Nugget Markets has a longstanding legacy of innovation. We have been recognized by Fortune as one of the nation's "100 Best Companies to Work For" for the last 15 years because of our three company goals: guest satisfaction, constant improvement and being a world-class employer. We are dedicated to our communities and poised to make a substantial investment in microgrids to maintain operation of our essential business in the face of increasing power shut offs and unexpected outages.

As an essential grocery business, it is imperative that we are open and available to the communities we serve. Our communities count on us to be there for them even and especially in uncertain times like these. We strongly encourage the Commission to create a standardized, technology-neutral tariff to enable the rapid development and deployment of clean, customer-owned power solutions that can operate 24/7/365. Policies that enable and encourage private investment would empower essential businesses like ours to be there for our communities when they need us most. Effective regulations would enable technologies to be deployed without endless red tape and costs associated with delays. California can and should be a leader in utilizing these technology solutions to increase resiliency in the face of increasing grid outages and wildfires. We are interested and willing to invest in microgrids and we ask that the PUC ensure that we are not assessed punitive fees by the utilities. The investment we make will benefit our communities both directly and indirectly in times of need by ensuring our stores are open when communities need us most.

The power outages we've experienced at Nugget Markets over the last two years, and again in the last two weeks, only cement the fact that we need a better solution when it comes to electricity. As a grocery store, we have only four hours without power before we start losing product. Last year during the fires, we had multiple stores without power for days. Even with back-up gas-powered generators (which are not good for the environment and have limited run time), entire stores had to be pulled of perishable products. In the last ten days, more than 30%

of our stores have been affected by major power interruptions again, three of which suffered extended outages. In one case, the power outage lasted several days because PG&E simply didn't have the resources to address the issue sooner. What we've lived through these last two years is no fluke, and our recent experience suggests this year will likely be no better.

We want to invest in technology that provides consistent power when the grid doesn't work and are prepared to act on it immediately. We are doubling down for the future of our business, and are ready to invest more than last year's companywide earnings to do so. Not only would this ensure continual operations, the microgrid would also benefit PG&E and its customers by hardening the grid. Especially in times like these, a net-neutral microgrid would help relieve issues like rolling blackouts.

Unfortunately, we have firsthand experience with inefficiencies when it comes to employing green technologies. At our new corporate headquarters, it took six months after the installation of our solar equipment before PG&E was able to interconnect so we could start generating power. We're hesitant to make another meaningful investment in fuel cell technology if we're not able to implement it in a timely manner. It would be our hope that these new regulations would support such proactive solutions and help bring change to a broken system. Customers, such as Nugget Markets, need standardized rules, terms and conditions to allow microgrids to go forward on a more widespread basis. The Commission can create the rule of the road that would directly impact businesses like ours, and in addition, provide many benefits for the environment, the economy, community resiliency and the stability of our electrical infrastructure.

In closing, the COVID-19 pandemic has proven that local grocery is essential and vital to all communities. Far too often we have been forced to limit our operations due to prolonged power outages. We are ready to make a substantial and immediate investment in microgrid technology, so long as we have assurance we will be able to employ the solution in a timely manner. Please help us keep the lights on for our communities.

Sincerely,



Eric Stille

President/CEO

Nugget Market, Inc.