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# California State Senate

SENATOR  
HENRY STERN

TWENTY-SEVENTH SENATE DISTRICT



COMMITTEES  
CHAIR  
NATURAL RESOURCES & WATER  
MEMBER  
BUDGET & FISCAL REVIEW  
ELECTIONS & CONSTITUTIONAL  
AMENDMENTS  
ENERGY, UTILITIES  
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ENVIRONMENTAL QUALITY  
JUDICIARY  
SUBCOMMITTEE  
BUDGET & FISCAL REVIEW  
NO. 2 ON RESOURCES,  
ENVIRONMENTAL PROTECTION,  
ENERGY & TRANSPORTATION

October 26, 2020

Ms. Genevieve Shiroma, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 95814

Dear Commissioner Shiroma:

I am writing regarding the development of Track 2 under Rulemaking 19-09-009, implementing Senate Bill 1339 (Stern), Chapter 566, Statutes of 2018.

My focus, as it has been since authoring the bill in 2018, is on the commercialization of microgrids and the requirement for the Public Utilities Commission (PUC) to create a customer-facing microgrid tariff. There are many parties, myself included, who have asked repeatedly during this proceeding for the PUC to create the microgrid tariff called for in the statute. There are communities in my district and across the state who are waiting for this tariff so they can begin considering how best to implement a community microgrid project.

SB 1339 was designed to enable the rapid development and deployment of customer-owned microgrids by creating a new rate structure and rules that reduce barriers, streamline installation and avoid cost shifting. It has been two years, two wildfire seasons, multiple PSPS events, a series of rolling blackouts and Flex Alerts and yet, there still appears to be no urgency at the PUC to create a customer-facing microgrid tariff.

This delay is simply not acceptable and it has devastating consequences for grocery stores, data centers, hospitals, water utilities and others who cannot make investments in clean technologies like solar, batteries and fuel cells that will provide them with energy resiliency and security until the PUC acts. The onsite generation provided by

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microgrids not only provides a stable source of reliable energy for the microgrid owner, it reduces demand on the electrical grid, which in turn reduces the electricity price in the wholesale market.

The recent October 6, Preliminary Root Cause Analysis authored jointly by the California Independent System Operator, California Energy Commission and the PUC recognizes the benefits of microgrids and recommends they be used to help with the state's energy resiliency planning. They will increase resiliency, decrease the likelihood of rolling blackouts and provide long term relief to ratepayers. There is no reason for the PUC to wait for other proceedings involving net energy metering or the Self Generation Incentive Program to play out before creating the new customer microgrid tariff.

SB 1339 set a deadline of December 1, 2020, for the PUC to create a behind the meter customer-facing microgrid tariff and I am asking you and your fellow commissioners adhere to that statutory requirement.

Thank you for your continued efforts. If you would like to discuss this matter further, please do not hesitate to contact me or Gil Topete on my staff at [gil.topete@sen.ca.gov](mailto:gil.topete@sen.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Henry Stern". The signature is stylized and cursive.

Henry Stern  
Senator, 27<sup>th</sup> District

Cc: Marybel Batjer, President, California Public Utilities Commission  
Martha Guzman-Aceves, Commissioner  
Liane Randolph, Commissioner  
Clifford Rechtschaffen, Commissioner  
Hazel Miranda, Director of Governmental Affairs, CPUC  
Anne O'Leary, Chief of Staff, Governor's Office  
Ana Montasantos, Cabinet Secretary, Governor's Office