

**DOCKETED**

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# Arcadia

Feb 2, 2023

California Energy Commission  
Docket Unit, MS-4  
715 P Street  
Sacramento, CA 95814

Re: Docket No. **21-ESR-01**—Comments on Lead Commissioner Workshop on SB 846  
Reliability Assessment and Clean Energy Reliability Investment Plan

Dear Vice-Chair Gunda, Commissioners, and Staff:

Between historic federal investments from the Inflation Reduction Act (IRA) and the portfolio of alternative resources to support reliability, the California Energy Commission (CEC) has a substantial opportunity to make the investments required to meet the state's climate goals, boost its economy, and help reduce costs for ratepayers. Arcadia Power, Inc. (Arcadia) appreciates the opportunity to comment on the Senate Bill 846 (SB 846) Reliability Assessment and Clean Energy Reliability Investment Plan (CERIP) workshop, held on January 20, 2023.

In September 2022, the California Legislature adopted SB 846, allowing for extension of the Diablo Canyon nuclear power plant while also providing that the CEC develop a Clean Energy Reliability Investment Plan. One billion dollars was allocated to the CERIP, for investments that “support the energy loading order” and “projects that accelerate the deployment of clean energy resources, assist ratepayers, and increase energy reliability.”<sup>1</sup> By March 1, 2023, the CEC must submit the plan to the legislature, taking into account: the state's electricity supply and demand, the needs for grid reliability, advancement of policies towards 100 percent zero-carbon and renewable energy resources, and greenhouse gas (GHG) emissions reduction targets.

In these comments we request that the CEC hold an additional workshop or workshops that present substantive opportunities for engagement on CERIP development, and we reiterate Arcadia's recommendation that community solar be considered as a top priority for CERIP.

## Summary of CERIP Proposal

Based on the workshop slides, we understand that CERIP investments will focus on the following funding initiatives:

- Planning
- Assistance for Community Based Organizations
- Diversification and support of clean energy technology deployment

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<sup>1</sup> See Section 12 of SB-846

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB846](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB846)

- Expansion and diversification of demand side resource options
- Strategies to support extreme events

However, the Proposed Governor’s Budget for 2023–24 does not seem to include any funding for two of the four funding initiatives: “diversification and support of clean energy technology deployment” and “expansion and diversification of demand side resource options.” Further, there was no information given on potential funding across these identified initiatives in future years. There was also limited detail provided on what types of investments fall under each category, especially as it relates to categories of distributed energy resources.

We also note that the 2022 adopted state budget (AB 179) provided \$30 million to CPUC for “capacity grants to community-based organizations” related to clean energy access. The budget also empowered the CPUC to coordinate with other state agencies to share these resources. Therefore, the CEC should further explain why additional funding is needed or how this funding is different from the grants the CPUC can make.

Overall, it is unclear from the workshop what amount of funding may be available for investments in community solar for this budget year and future years. Failing to fund community solar projects through CERIP would represent a significant missed opportunity.

### **CERIP stakeholder engagement**

On January 20, 2023, the CEC held a workshop to provide an overview of the preliminary reliability analysis for SB 846 and to provide an overview of the proposed priorities for CERIP. The vast majority of the workshop was spent on reliability analysis; the CERIP presentation was very brief, relatively high-level, and did not offer a structured forum for discussion. Further, the presentation materials were not posted until the beginning of the workshop, limiting stakeholders’ opportunity to review them in advance so that we could understand what was being proposed to provide public comment during the meeting.

While we understand that the CEC has limited time to formulate and submit the plan to the legislature, we urge the CEC to recognize that a substantive and robust stakeholder process is essential to CERIP development and is required by the legislature: “the plan shall be developed with input from interested parties at scheduled public workshops and public hearings.” There has not been a workshop dedicated to CERIP, rather, only two slides were presented at the end of a lengthy discussion of the need for Diablo Canyon.

In order for stakeholders to provide useful and thorough input as intended, the CEC should provide both more descriptive and specific information about the proposed plan and more structure for engagement. For example, the CEC could hold a CERIP-focused workshop with more detailed information on proposed investment priorities, examples of investments, and specific questions for stakeholders. This presentation should also include a discussion of the reasons for these recommended investments and what alternatives were considered. Ideally, these materials would be provided in advance of the meeting to allow stakeholders

to thoughtfully consider the material. The workshop should dedicate time for substantive discussion, potentially divided up by topic area, so that stakeholders can ask questions about each investment category, beyond a limited Q&A at the end of the presentation.

We urge the CEC to prioritize this engagement ahead of making any further decisions on the CERIP. Meaningful stakeholder input should be considered essential to this historic investment opportunity – not only on principle, but also because it can substantially improve investment outcomes. Further, the legislature clearly intended there to be meaningful input when bestowing this responsibility and significant budget upon the CEC.

### **Community solar as a CEIRP priority**

As recommended in Arcadia’s previous comments to the CEC on this docket, we recommend that community solar be considered by the CEC as a priority in the CERIP. Community solar projects can bolster reliability, lower energy costs, and address equity and environmental justice. Community solar can bring reliable, low-cost clean energy to disadvantaged communities typically excluded from traditional rooftop solar programs. Furthermore, federal investments from the Inflation Reduction Act (IRA) present new opportunities to leverage the CERIP funding to maximize community solar benefits in California.

California’s structural challenges with grid reliability present opportunities that community solar can address to meet both reliability and equity goals. Community solar can address persistent systemic inequities to give everyone the opportunity to reap the financial and environmental benefits of solar resources. These projects can provide cost savings for energy-burdened households and make the benefits of solar energy accessible for those who have been underserved in the past. Community solar projects are smaller in size and can be sited closer to load on the distribution grid. Reliability benefits are further enhanced when community solar is combined with community energy storage. The combination of solar and storage can improve resilience by mitigating the impacts of grid disruptions and enabling the continuity of essential services. This is particularly important as weather-related power outages are becoming increasingly common across California.<sup>2</sup>

We see that these key attributes of community solar outlined above could align with the CERIP Funding Initiatives as presented on January 20th. Under the “Planning” initiative, we commend and strongly support the CEC allocating part of the CERIP budget to community-based organizations (CBOs). In order to achieve equitable outcomes in community solar, it is essential to lower barriers to participation and engagement for communities. Direct funding and support to CBOs is a crucial component of lowering these barriers. We appreciate the CEC’s recognition of this need and look forward to more information regarding how the funding can support CBOs throughout community solar development.

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<sup>2</sup> “Surging Power Outages and Climate Change.” Climate Central. 2022. <https://www.climatecentral.org/climate-matters/surging-weather-related-power-outages>

Further, we support the recognition of “community scale assets” as part of the “Expansion and diversification of demand side resource options” initiative and the identification of interconnection and permitting as a key challenge. We appreciate the stated goal of scaling up commercially ready technologies through CERIP, but it is unclear whether this would focus funds on community solar. We urge the CEC to clarify the focus of these funds, and take a bolder and more ambitious investment approach in regards to the deployment.

The proposed 2023-24 budget seems to allocate just one-third of the funding for actual resource deployment. The CEC should recognize the significant potential of resources such as community solar to help California achieve its reliability, emissions reductions, and equity goals now. Arcadia urges the CEC to allocate near-term funding to equitable community solar deployment; this could include funding to provide greater bill savings for low-income communities and incentives for projects that are owned and led by these communities.

### **Conclusion**

Arcadia strongly urges that the CEC create an opportunity for robust stakeholder engagement on CERIP development. Further, Arcadia recommends that the CEC invest significant funds in community solar to promote savings for Californians that need them most, address energy disparities in disadvantaged communities, and support grid reliability and resiliency.

Sincerely,



Angela Navarro  
Head of State Regulatory Affairs  
Arcadia