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SDG&E Feedback on CERI Program Draft Solicitation

Additional submitted attachment is included below.



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California Energy Commission
Docket Office (Docket No. 22-ERDD-01)
715 P Street
Sacramento, CA 95814

Submitted electronically

SUBJECT: SDG&E Response to Request for Feedback on the Draft Solicitation for the Community Energy Resilience Investment (CERI) Program (Docket No. 22-ERDD-01)

The San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to provide feedback on the California Energy Commission (CEC) Draft Solicitation for the Community Energy Resilience Investment (CERI) Program. The CERI Program can help reduce the cost of important resilience projects that allow California communities to be better prepared for climate change while advancing efforts to decarbonize our economy in a more affordable manner.

SDG&E respectfully submits the following input on the Draft Solicitation for CEC staff's consideration:

- I. **Clarify whether applications can include a multi-project scope.** The Draft Solicitation lists several eligible activities that could be submitted under project applications. SDG&E requests that the CEC clarify in the final solicitation whether a single application for funding could support multiple projects, provided each element is an identified eligible activity.

For example, would a single application for a project serving multiple communities be eligible (e.g., vegetation management which serves multiple communities, or community microgrids which serve the same resiliency purpose but are placed in multi areas of the state)? Would an application with multiple types of resiliency projects, serving a single community be eligible (e.g., vegetation management paired with a microgrid and training component)? By clarifying that bundled project applications are permissible,

the CEC may attract projects that bring more impactful benefits for communities and reach a broader number of communities.

- II. **For large entities, lower the minimum award amount to \$10 million and lower the match funding requirement to 100%.** SDG&E recommends the CEC consider lowering the minimum award amount for large entities to \$10 million. Similarly, if there is no restriction in the legislation governing the use of these funds, SDG&E recommends the match funding requirement for larger parties be reduced to 100%. These two requested changes are intended to allow for a wider array of projects to be submitted.
- III. **Expand the covered groups under the Disadvantaged Communities and California Native-American Tribal Territories scoring preference to include others who may be vulnerable to climate impacts.**

SDG&E recommends that the CEC consider broadening the population covered by the Disadvantaged Communities or California Native-American Tribal Territories preference to also include low-income Californians and Access & Functional Need (AFN) customers. While some of these customers may live in the communities identified in CalEnviroScreen, others may not. However, by identifying communities that have significant low-income or AFN populations, funds could be used to target improvements that benefit customers who are more vulnerable to climate risks than other Californians.

- IV. **Include preference points for projects that leverage existing renewable energy infrastructure.** The Draft Solicitation identifies the “use or construction of distributed energy resources for enhancing system adaptive capacity during electrical system outages, including microgrids and battery storage subcomponents,” as an eligible activity. To advance these types of projects in a way that aligns with state policy objectives to utilize clean energy sources, the CEC should consider offering preference points for projects that leverage existing renewable energy infrastructure. Promoting the installation of battery storage or microgrid technologies at sites that have existing renewable energy resources can increase the benefits of those clean resources by providing additional flexibility for when and how the resources can be utilized, especially if the existing renewable resource is an intermittent resource like photovoltaic (PV) and its output isn’t being fully utilized midday when load is low.
- V. **Expand “eligible activities” to include utility use communication infrastructure advancement.** SDG&E understands that the current list of eligible activities identified in the draft solicitation draws from enabling legislation. If further expansion of eligible activities is a possibility, SDG&E encourages the CEC to consider including advancements in communication infrastructure for utility use. These types of projects align with the overall objective of improving grid resiliency.

Conclusion

Thank you for your consideration of these comments. SDG&E looks forward to continuing to monitor progress on the CERI program as funding initiatives are finalized and opportunities become available. Please do not hesitate to contact me should you have any questions about the recommendations we offer in this letter.

Sincerely,



Sarah M. Taheri
Regulatory Affairs Manager