

September 6, 2013

California Energy Commission-
Docket Office, MS-4
Re: Docket No. 13-IEP-1H
1516 Ninth Street
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California Energy Commission
DOCKETED
13-IEP-1H
TN 71955
SEPT 06 2013

Re: *Southern California Edison Company's (SCE's) Comments on the California Energy Commission Docket No. 13-IEPR-1H Workshop on Distributed Generation: Electricity Infrastructure Costs*

To Whom It May Concern:

On August 22, 2013, as part of the California Energy Commission's (Energy Commission's) 2013 Integrated Energy Policy Report (2013 IEPR) process, the Energy Commission held a staff Workshop to address Distributed Generation: Electricity Infrastructure Costs (the Workshop). Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments.

As mentioned at the Workshop, SCE recognizes the importance of investing in the research, development and demonstration of local energy resources. In May 2012, SCE released a study on its recent research efforts, entitled, *The Impact of Localized Energy Resources on Southern California Edison's Transmission and Distribution System*. SCE provided an overview of its study results during the Workshop, including findings that the location of Local Energy Resources (LER) can significantly affect electricity system impacts and costs. In particular, SCE found that guiding the siting and location of LER to areas of the system that are better equipped to accommodate generation can result in a significant reduction in interconnection costs. Following the release of SCE's LER study, the Energy Commission contracted with Navigant Consulting to conduct further analysis, and partnered with SCE to gain access to its electricity system for their study. As Navigant concludes its analysis, SCE looks forward to the results of the Navigant study in hopes that it will further the understanding of the costs and implications of LER.

While SCE commends the Energy Commission's and Navigant's effort to analyze the impact of integrating increasing LER, which is also commonly referred to as "distributed generation" or DG, on the system, SCE also recognizes that additional efforts will be required to fully understand (1) how to successfully integrate increasing levels of LER/DG in the system, and (2) LER's/DG's impact on electricity infrastructure costs.

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As noted by Energy Commission staff during the Workshop, the Energy Commission has expressed interest in developing a statewide planning pilot that would build on SCE's and Navigant's studies with the purpose of developing a framework for guiding DG and other preferred resources to preferred locations. SCE looks forward to learning more about the Energy Commission's proposed pilot, and to working collaboratively with the Energy Commission and other stakeholders in further developing this effort, pending additional project details.

As LER/DG becomes more prevalent throughout the state, it will be of utmost importance for SCE to integrate increasing levels of these resources onto the electrical grid in a manner that is consistent with SCE's commitment to maintain an efficient distribution system, and to safely and reliably deliver affordable electricity to its customers. SCE therefore recognizes the importance of further research and development for LER/DR integration. To that end, SCE has engaged in a number of research and development projects, such as the Irvine Smart Grid Demonstration (ISGD), which will inform how the Smart Grid can operate effectively, and with adequate cyber security measures, when deployed with higher levels of LER/DG and other preferred resources integrated into the system.

SCE looks forward to continuing to work with the Energy Commission and stakeholder groups to inform statewide policy and to ensure cost competitive, safe, reliable, and sustainable outcomes for planning the integration of LER/DG in the system.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez