BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies	Rulemaking 19-09-009 (Filed September 12, 2019)

RURAL COUNTY REPRESENTATIVES OF CALIFORNIA OPENING COMMENTS ON PROPOSED MICROGRID INCENTIVE PROGRAM IMPLEMENTATION PLAN PURSUANT TO DECISION 21-01-018, MODIFIED BY D.21-02-002

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I. Introduction

In accordance with Rule 6.2 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure ("Rules"), the Rural County Representatives of California (RCRC) submits opening comments to the Order Instituting Rulemaking 19-09-009 ("Rulemaking") on the *Joint IOU Microgrid Incentive Program Implementation Plan* (Implementation Plan), filed December 3, 2021 pursuant to Administrative Law Judge Colin Rizzo's email ruling modifying Phase 2 Schedule of Track 4, issued October 8, 2021. These comments are timely filed pursuant to the *Assigned Commissioner's Amended Scoping Memo and Ruling Resetting Track 4* on December 17, 2021. RCRC was granted party status on February 4, 2020.

II. Background

RCRC is an association of thirty-eight rural California counties and its Board of Directors is comprised of elected supervisors from each of those member counties. Rural counties are home

to some of the state's most disadvantaged communities and many meet the criteria for designation as environmental and social justice communities.[1]

RCRC member counties comprise the vast majority of the state's forested lands and high fire hazard severity zones. As such, our communities have borne the majority of destruction caused by high severity wildfires and experienced most of the state's Public Safety Power Shutoff (PSPS) events. While planned, PSPS events often leave customers without power for several days at a time. More recently, our member counties have been heavily impacted by debilitatingly frequent outages caused by the initial deployment of PG&E's Enhanced Powerline Safety Settings (EPSS) Program.[2] Many of these smaller, remote communities experienced numerous unplanned outages – e.g. 17 circuits experienced nine or more outages over the course of several weeks. While those outages were much shorter in duration than typical PSPS events, most EPSS outages lasted 8 hours or more and so were extremely disruptive for residents, businesses, and community services.[3] Finally, many of our mountain counties have been inundated with snow over the last several weeks, causing widespread and prolonged electrical disruptions that PG&E has worked vigorously to repair.[4]

RCRC's member counties operate many critical facilities and provide vital services where the loss of power could pose a significant danger to public safety. These can include law enforcement facilities, fire stations, jails, emergency dispatch centers, health facilities, cooling centers, water and wastewater treatment and distribution infrastructure, etc. Rural communities often lack the resources necessary to fully mitigate the impacts of electrical outages on critical infrastructure and sensitive populations - especially when those outages impact large numbers of individual and facilities.

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[1] CPUC, *Environmental and Social Justice Action Plan*, Version 1.0, February 21, 2019, pages 9-10, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/environmental-and-social-justice.pdf.

[2] See *Letter from CPUC President Marybel Batjer to PG&E Regarding the Fast Trip Program*, October 25, 2021, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/documents/batjer-letter/cpuc-president-batjer-letter-to-pge-re-fast-trip-oct-25-2021.pdf and PG&E's responses here https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/pge/oversight-and-enforcement/pge-cpuc-october-25-request---epss.pdf.

[3] See PG&E's response to CPUC Fast Trip Letter, https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/pge/oversight-and-enforcement/pge-attachment-3_epss-outages-monthly-report_20211108.xlsx.

[4] Rasalio Ahumada and Alexandra Yoon-Hendricks, "Truly a Nightmare: 11,000 Sierra Nevada Residents Now Almost 2 Weeks Without Power," *Los Angeles Times*, January 7, 2021, https://www.sacbee.com/news/local/article257075237.html.

Outside of the context of the Microgrid Incentive Program (MIP), we believe that utilities should complement these efforts by deploying their own microgrids in response to internal reviews of locations that might be suitable for microgrids or remote grids. We believe these efforts are complimentary and will help provide system resiliency and reliability goals, like those suggested by San Diego Gas & Electric and approved in Decision 21-12-004 in this proceeding.[5]

III. Comments

Overall, RCRC commends the Joint Utilities for the well-developed and methodical project application and review process contained in the Implementation Plan, as well as conducting robust stakeholder workshops to inform plan development. RCRC supports the project deadline modifications proposed by the utilities. At the same time, RCRC believes significant modifications are necessary to the proposed benefit scoring methodology and definitions to maximize resilience benefits and ensure the effective use of scarce ratepayer resources.

A. Proposed Implementation Plan Project Deadline Modifications Are Warranted.

In directing utilities to develop a MIP, the CPUC determined that microgrids shall reach commercial operation within 24 months of adoption of the utilities Implementation Plan.[6] The utilities and stakeholders believe that this 24-month window is too short for projects not currently in development[7] and so suggest modifying the deadline by changing the trigger date from adoption of the Implementation Plan to execution of the Microgrid Operating Agreement. RCRC believes that this change is warranted given the complexity of the project application and development process. We agree that the current deadline would likely ensure that only those projects currently under in development could compete for funding. We also note that many potential applicants may be waiting for the adoption of the Implementation Plan and issuance of the utility MIP Handbook before they expend considerable resources on developing a project for consideration. We recognize that the utilities are anticipating it will take six months from approval of the

[5] D. 21-12-004, *Decision Adopting Microgrid and Resiliency Solutions to Enhance Summer 2022 and Summer 2023 Reliability*, December 6, 2021, pages 52-53.
[6] D.21-01-018, *Decision Adopting Rates, Tariffs, and Rules Facilitating the Commercialization of Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies*, January 21, 2021, pages 65-66.
[7] *Proposed Microgrid Incentive Program Implementation Plan of San Diego Gas & Electric Company (U-902-E), Pacific Gas and Electric Company (E-39-E), and southern California Edison Company (U-338-E)*, December 3, 2021, page 5.

Implementation Plan to develop the MIP Handbook that will help guide applicants on the process.[8] Unless modified, this effectively provides an even shorter 18-month period for projects to work their way through the development and application process and be ready for operation. For these reasons, RCRC urges the CPUC to adopt the deadline modifications proposed by the joint utilities in the draft Implementation Plan.

B. A Cautionary Tale on Single-Purpose Microgrids – Utility Filter that the Microgrid Must Not Overlap with Existing or Proposed PSPS Mitigation Strategies Adversely Impacts the State's Most At-Risk Communities.

The Implementation Plan outlines that utilities will assess PSPS mitigation activities to prevent overlapping during the Initial Resiliency Consultation and will not award any points for projects in PSPS-impacted communities where the area has "been excluded from reasonably anticipated future outage events to other resilience mitigation activities."[9] While well-intentioned, these two "checks" could preclude much-needed investments in some of the communities at greatest risk of outages. PSPS events are not the only outage risks that many of those communities face, but some of the PSPS mitigation strategies employed by utilities provide <u>*NO*</u> non-PSPS resilience benefits.

Many communities repeatedly impacted by PSPS events have also been subject to frequent and extensive outages related to deployment of EPSS systems and storms. The same microgrid projects that can mitigate PSPS events could and should also be able to help mitigate the impacts of those other types of outages. Unfortunately, that has not proved to be the case.

Microgrids recently developed by PG&E in some rural communities to mitigate PSPS events have unfortunately proven worthless investments for mitigating the numerous non-PSPS related outages they have faced over the last several months. This is unfortunate, because many of these projects were welcomed with open arms by the local communities and it was hoped they would provide real local resiliency. It was assumed locally that investment in a microgrid for PSPS mitigation would also be able to mitigate the impacts of other types of outages.

[8] Id, page 14.
[9] *Implementation Plan*, page 16 and 29.

PG&E deployed microgrids in Georgetown (El Dorado County)[10], Groveland (Tuolumne County)[11], and Magalia (Butte County)[12], among other places, to mitigate the impacts of PSPS outages. The Georgetown microgrid serves about 50 customers in the downtown district and could provide crucial resiliency for many critical facilities and core businesses that serve residents in a very rural area. The Magalia microgrid serves about 40 customers and could help provide resiliency to a fire station, sheriff's substation, medical clinic, water district, gas station, communications facilities, etc. The Groveland microgrid is expected to keep many downtown businesses energized during a PSPS event.

It appears that these microgrids were designed and permitted under the California Air Resources Board's (CARB) Portable Engine Registration Program (PERP), which allows generators to be permitted by CARB rather than local air districts. The PERP was important and beneficial to mitigate the impact of PSPS events; however microgrids powered by generators permitted under the PERP program apparently cannot be energized during non-PSPS events. That means these PG&E microgrids only work during a planned outage and are wasted assets for being able to respond to non-planned outages related to the EPSS program or snow damage. This became painfully apparent (and extremely frustrating) for these communities during the scores of frequent EPSS events that occurred over the summer of 2021 and during the recent heavy snows.

Despite repeated requests from local governments and an expressed willingness by local air districts to permit generators so the microgrids can be used during non-PSPS events, there has been no effort by PG&E to seek local permits for the generators that support these microgrids. This has left local governments in the awkward position of having to explain to constituents that the much-touted utility microgrid can't be turned on because the power outage was unexpected rather than planned by the utility. If so much work has already been performed on microgrids that can greatly increase local resiliency, PG&E should move quickly to permit and deploy technologies that can keep the power on during non-PSPS outages. *We urge utilities to proactively*

[10] https://www.edcgov.us/Government/BOS/DistrictIV/Documents/CWSP%20Georgetown%20Temporary%20Microgrid%20Fact%20Sheet_20200421%20(1).pdf.
[11] https://www.mymotherlode.com/news/local/1553000/construction-to-begin-on-grovelands-microgrid-to-assist-during-power-shutoffs.html.
[12] https://www.pgecurrents.com/2021/07/02/strengthening-and-improving-the-electric-system-pge-completes-microgrid-in-magalia/.

work to ensure that microgrids already developed to mitigate PSPS events can be energized to provide crucial local power resiliency during other types of outages.

While the scope and number of PSPS events is declining in some areas, there has been a rapid increase in the frequency of smaller outages resulting in similar disruptions and that occur without any advance warning. *Given the fact that PSPS-mitigation measures do not necessarily mitigate the impacts of unplanned outages, microgrid applications should not be precluded from consideration or getting points merely because a utility has deployed PSPS mitigation measures UNLESS those mitigation measures will also mitigate the* ***impacts*** *of non-PSPS outages*.

C. Implementation Plan Misses Mark for Effectively Deploying Ratepayer Resources.

RCRC is particularly interested in the resiliency benefits that careful and strategic deployment of microgrids could provide, especially for those communities at greatest risk of electrical disruptions. As a foundational issue, the CPUC must ensure that microgrid improvements provide value both to customers and ratepayers. We should not burden ratepayers with paying for microgrid projects just for the sake of building microgrids. Microgrids funded under the program must have a utilitarian purpose and mitigate a real risk of service interruption.

1. Determination of Communities "Vulnerable to Outages" is Problematic.

The Implementation Plan requires microgrids to be located in: a Tier 2 or Tier 3 High Fire Threat District (HFTD); have prior PSPS event outages; be located within an earthquake zone; or in a location with lower historical levels of reliability. *We believe that eligibility should also extend to areas with a history of frequent EPSS or weather-related outages*. While many of those areas impacted by EPSS and weather-related outages may otherwise qualify based on location within a Tier 2 or Tier 3 HFTD or based on PSPS experience, that may not always be the case. RCRC also strongly supports deploying microgrids to those locations with lower historical levels of reliability, as this where the potential for resilience benefit is highest.

RCRC also notes that inclusion of "locations with earthquake risk" expands the microgrid program to a much larger part of the state. This is problematic because major earthquakes of a magnitude large enough to disrupt electrical service are thankfully very rare. While major earthquakes can cause significant damage, there is usually a very long, multi-generation interval between major earthquakes in a single area (e.g. 83 years between the horrific 1906 San Francisco

and 1989 Loma Prieta earthquakes). At the same time, the life expectancy of the equipment used to build a microgrid is finite and far shorter than the period between earthquakes. While RCRC supports microgrids to promote local resiliency, we caution against focusing these projects in areas where the risk that the microgrid will actually be needed for backup power is low. *To maximize the benefits of scarce ratepayer resources, RCRC recommends requiring projects that qualify solely because they are in an earthquake risk area to ALSO either be in an area with a lower historical level of reliability OR provide regular benefits to overall grid reliability*.

2. *Benefit Scoring Methodology Fails to Focus Resources on Highest Risk Communities or Maximize Benefits and Utility of Microgrid Projects*

Regrettably, the proposed "Benefit Scoring Methodology" fails to adequately focus resources on those communities at greatest risk of energy disruptions or to maximize the benefits of microgrid projects. The MIP should focus on designing and implementing microgrids that serve a useful purpose, promote resiliency, and mitigate the impact of a wide variety of outages. Unfortunately, the point system puts far greater priority on the customers and communities benefitted (50 points out of 100) rather than the potential for the project to provide resilience benefits (30 points out of 100). Several other points categories are vastly overinflated with respect to the real-world benefits provided by simply "checking the box." *Because of the real and pressing need to improve energy reliability and resiliency in many parts of the state, RCRC believes that the largest bucket of points should reflect the resiliency benefits of the project*.

It is very unsettling that more than four times the number of points are available based on the clean energy attributes of a project (up to 17 points) than are awarded for a project that is located on worst 1% of electrical circuits in the state (4 points). While we do not seek to diminish the importance of clean energy deployment, *far more emphasis should be awarded for mitigating the real problems that plague the state's worst performing circuits*.

Similarly, it is disappointing that three points are awarded for displacement of a single fossil fuel backup generator as a primary back-up source. These points do not require complete displacement of a fossil fuel backup generator, but merely displacing that generator as a *primary* backup source. Given the relatively short 24-hour minimum discharge requirement, this means that three points will be awarded for taking one fossil fuel backup generator offline for the first 24 hours of an outage. The overinflation of points awarded relative to actual benefits is even more

egregious when considering that only four points are awarded for a microgrid serving the worst performing circuits in the state. While RCRC does not criticize giving priority to projects that replace the need to run fossil fuel backup generators, *the proposed scoring methodology is overly-skewed towards prioritizing ancillary environmental benefits rather than mitigating real risks*.

3. Customer and Community Benefits Section Fails to Reflect Magnitude of Benefits from Large Projects.

The point increments and caps for projects serving low-income and vulnerable customers effectively disadvantage large projects with the greatest resiliency benefits. Points under the "Customer and Community Benefits" Section are capped for low-income customers (0.1 point/customer to a maximum of 8 points for supporting 80 customers) and vulnerable customers (0.2 point/customer to a maximum of 10 points for supporting to 50 customers). This will result in the award of as many points to a critical facility that serves hundreds of low-income Californians as to a microgrid that directly serves 50 vulnerable customers. Given the magnitude of benefits achieved by deploying a microgrid to serve critical facilities that provide vital support to a large population base, it is not clear that the draft Implementation Plan appropriately reflects the magnitude of potential benefits from keeping critical facilities energized.

4. Resilience Benefits Section Needs Modification.

RCRC believes the Implementation Plan's Resiliency Benefits section should be modified in several ways.

First, this section should recognize that a utility's PSPS mitigation work does not adequately protect that area from the real and significant impacts of non-PSPS outages. Utilities' Initial Resiliency Consultations should evaluate the number of times a PSPS-impacted community has experienced EPSS or weather-related outages. *Utilities should not disqualify microgrid projects that will increase energy resiliency where the utility PSPS-mitigation work will not provide benefits outside the context of PSPS events*. Similarly, *utilities should award points for projects where the utility mitigations are limited to PSPS events, but where those mitigation efforts will not provide benefits during other types of outages*.

Second, the resilience benefits section should consider the number of times a community experienced an EPSS-related outage in 2021. There were 551 different EPSS outages in PG&E's

service territory in 2021, with 28 circuits seeing seven or more outages over the course of a few short months. While these outages were of shorter duration than PSPS events, they were just as debilitating because of their frequency and unannounced nature. These kinds of 8-12 hour outages are ideally suited to the types of 24-hour capacity microgrid projects contemplated in the Implementation Plan and so should also receive points.

Finally, points should also be awarded to microgrid applications for circuits that have experienced the longest and most frequent weather-related outages.

5. *Implementation Plan Should Prioritize Microgrid Resiliency Projects Supported by Local Governments.*

The Implementation Plan contemplates microgrid application submissions from a wide variety of entities, including cities/counties, special districts, businesses, and nonprofit organizations. Given the potential for microgrid projects to compliment local resiliency efforts, and considering the level of knowledge that local governments have about community needs, *we suggest modification of the Implementation Plan so that utilities will prioritize applications accompanied by a letter of support from the city/county in which the proposed microgrid is located*. This will help ensure that the microgrid project has the support of the local government and meets local resiliency needs. To prevent conflicts of interest, this priority should not apply to projects undertaken by a local government applicant.

D. Technical Eligibility – Durational Capacity.

The Implementation Plan requires the microgrid project to "be sized and operated to serve a minimum of 24 consecutive hours of energy in an Island Mode." Given the nature of the service interruptions that microgrids are intended to mitigate, RCRC fears that this 24-hour threshold is too short of a duration. While a 24-hour capacity may be sufficient for some of the more recent EPSS and rolling brownout outages that plagued the state last year, it will be woefully inadequate to meet the longer-duration outages that are associated with PSPS events, snow emergencies, heavy rains, mudslides, and even earthquakes.

RCRC strongly urges the utilities and CPUC to set a more ambitious threshold and give a much greater priority for projects that can operate in an island mode for more than 24 hours. Under the proposed scoring framework, projects get an extra ½ point for each 6-hour increment

they can island above 24 hours, with a maximum of six point.[13] While RCRC appreciates "adders" for projects that exceed 24 hours, the amount of the adder is insufficient given the number of points given to other priorities. For example, a microgrid that can operate in an island mode for 42 hours would get exactly the same number of points as another project that simply *displaces* a fossil fuel generator as a *primary* backup source for as little as 24 hours. RCRC believes the MIP should focus on maximizing the resiliency and durational benefits of microgrids rather than merely funding the replacement of fossil fuel generators as primary, but not secondary sources of backup generation.

E. Definition of "Disadvantaged and Vulnerable Community" Should Be Refined.

The Implementation Plan defines eligible "Disadvantaged and Vulnerable Communities" for which point can be awarded to include: 1) Census tracts with median household incomes below 60% of the state median; 2) Federally recognized tribal communities; 3) Communities identified by CalEnviroScreen as being at greatest risk; and, 4) Rural areas. Three of these categories should be refined as follows.

1. Threshold for Low-Income Census Tracts Should be Adjusted.

The definition of low-income census tracts should be modified, as the 60% median household income is too low. The joint utilities explain that eligibility for communities should be consistent with the definition of disadvantaged communities in D.20-08-046[14]; however, that 60% threshold is inconsistent with the CPUC Definition of Environmental and Social Justice Communities and numerous other statutory definitions of "low-income" and "disadvantaged communities. *RCRC believes that the threshold should be changed from 60% to 80% of statewide median household income*. The CPUC defines "environmental and social justice communities" to include low-income households and census tracts where the household income is less than 80% of the area or state median income.[15] Health and Code Section 39713, which guides expenditure of cap and trade auction revenues, also defines "low-income communities" as those census tracts with median household incomes at or below 80% of the statewide median income or below the threshold designated by the Department of Housing and Community Development. Furthermore, numerous

[13] *Implementation Plan*, page 31.
[14] *Implementation Plan*, page 17.
[15] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/disadvantaged-communities.

provisions in the Water Code (and voter approved water bonds) define "disadvantaged community" as a community with a median annual household income that is less than 80% of the statewide median household income.[16] This change is especially important as the Implementation Plan limits microgrid projects to "disadvantaged and vulnerable communities" rather than merely prioritizing applications for projects located in those communities.

2. *Definition of Tribal Community is Unnecessarily Restrictive.*

The Implementation Plan appropriately contemplates awarding points for projects that benefit tribal communities; however, it only awards points for *Federally recognized* tribal communities. The MIP Workshop #3 framing document contemplates that projects benefitting "tribal communities" will receive points but does not suggest limiting the universe to only Federally recognized tribes.[17] As the Judicial Council of California notes, "There are 109 federally recognized Indian tribes, including several tribes with lands that cross state boundaries. There are also about 45 tribal communities of formerly recognized tribes that were terminated as part of the United States' termination policy in the 1950s or tribal communities that were never recognized by the federal government."[18] These non-Federally recognized tribal communities are utility ratepayers and their lack of Federal recognition can be due to many different circumstances often far beyond their control and not easily remedied. *It is not clear why community eligibility under the Implementation Plan is limited to only Federally recognized tribal communities and it should be modified to award points to non-Federally recognized tribal communities*.

3. *Definition of "Rural Area" Is Too Constrained and Should Be Supplemented.*

The Implementation Plan defines "rural area" as "locations with a utility service area identified by the U.S. Health and Human Services Administration (HHSA) as rural."[19] Careful review of those HHSA lists highlights some significant flaws such that the proposed "rural area" definition should be modified.

HHSA designates many California counties in their entirety as rural, but it also excludes numerous census tracts in very rural counties, including Butte, El Dorado, Imperial, Madera,

[16] See Water Code Sections 8007, 13288, 79505.5, 79702(j).
[17] Joint IOUs, *Microgrid Incentive Program Topic Framing Document – Workshop #3 MIP Eligibility*; https://www.pge.com/pge_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/workshop3-eligibility.pdf.
[18] Judicial Council of California, *California Tribal Communities*, 2022, https://www.courts.ca.gov/3066.htm.
[19] *Implementation Plan*, page 8.

Merced, Monterey, Napa, Placer, San Luis Obispo, Santa Barbara, Santa Cruz, Shasta, Sonoma, Sutter, Tulare, Yolo and Yuba Counties. For example, the HHSA list defines only a single census tract in Yolo County as rural, despite the rural nature of much of the rest of the county outside of the three densely populated cities of Davis, West, Sacramento, and Woodland. Similarly, the HHSA list excludes broad swaths of very rural areas in Napa, Butte, and other counties. In some cases, this is due to the way in which the HHSA list focuses on census tracts, which may include some municipalities, but also often include large swaths of surrounding rural areas.

To address these flaws, RCRC strongly recommends supplementing the Implementation Plan's definition of "rural area." While the HHSA list may be utilized, it should not be the exclusive method of determining whether a microgrid is located in a rural area. Instead, the Implementation Plan should designate an area as rural if the applicant meets ***any*** *of the following requirements:*

- *The census tract is listed on the U.S. Health and Human Services Administration's List of Rural Counties and Designated Eligible Census Tracts in Metropolitan Counties*[20]*,*
- *Is considered a rural area by the U.S. Census (is not located in an urban area designated by the U.S. Census),*
- *Provides information satisfactory to the utility demonstrating the rural nature of the area in which the project is located.*

The U.S. Census has long classified places as either urban or rural. Since 1950, the Census has designated densely populated urbanized areas with a population of 50,000 or more as urban areas and has maintained lists of those areas in each state. Last year, the Census announced in the Federal Register proposed criteria for revising the definition of "urban areas" for the 2020 Census.[21] Those modifications will classify as "urban areas" those densely populated areas with at least 4,000 housing units or 10,000 persons. Under the U.S. Census, areas not designated as "urban areas" are by default considered "rural areas."[22] Inclusion of the U.S. Census designation

[20] List of Rural Counties (hrsa.gov) - https://data.hrsa.gov/Content/Documents/tools/rural-health/forhpeligibleareas.pdf.

[21] Federal Register, Volume 86, No. 32, Department of Commerce, Bureau of the Census [Docket Number 210212-0021] Urban Areas for the 2020 Census – Proposed Criteria, February 19, 2021, page 10237, https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html.

[22] U.S. Census, 2010 Census Urban Area FAQs, Urban-Rural Classification Program, https://www2.census.gov/geo/pdfs/reference/ua/2010ua_faqs.pdf#:~:text=The%20Census%20Bureau%20introdu

of "rural area" will help ensure that rural areas that fall through the cracks of the HHSA list may still be considered rural for purposes of the MIP.

Finally, given the many different definitions of what constitutes a "rural area," we suggest allowing an applicant to demonstrate the rural nature of the area in which the project is located if the community is not otherwise considered rural under the HHSA list or by the U.S. Census.

III. Conclusion

Significant modifications to the draft Implementation Plan are necessary. Maximizing resilience benefits and ensuring the effective use of scarce ratepayer resources requires modifications to the definitions and benefit scoring methodology. We also note that the award allocation process is designed to prioritize funding for projects that seek the least amount of MIP money to provide the most benefits. While this is usually commendable, it will have the perverse impact of prioritizing funding for larger projects funded by a diversity of sources that request just a small amount of MIP money to the detriment of those smaller, local projects that do not have the luxury of a diverse funding base. Finally, we urge PG&E—and the CPUC—to drive needed changes to existing microgrids that are underutilized during wide-ranging outages and which could significantly increase energy reliability for impacted communities and customers.

RCRC respectfully requests your acceptance of RCRC's comments for filing and incorporating our suggestions to improve the Microgrid Implementation Plan made herein.

Respectfully submitted,

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ced%20the%20urban%20cluster%20concept,at%20least%202%2C500%20and%20less%20than%2050%2C000%20people.