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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Authority, Among Other Things,
to Increase Rates and Charges for Electric and
Gas Service Effective on January 1, 2020.
(U39M)

Application 18-12-009
(Filed December 13, 2018)

**COMMENTS OF
THE SOLAR ENERGY INDUSTRIES ASSOCIATION AND VOTE SOLAR
ON SETTLEMENT AGREEMENT OF THE 2020 GENERAL RATE CASE OF
PACIFICA GAS AND ELECTRIC COMPANY**

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January 21, 2020

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Pursuant to Rule 12.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Solar Energy Industries Association (“SEIA”) and Vote Solar submit these comments in support of the Settlement Agreement of the 2020 General Rate Case of Pacific Gas and Electric Company (“PG&E”) filed in the above captioned proceeding on December 20, 2019 (“Settlement Agreement”).

Commission Rule 12.1(d) sets forth the standard for approval of settlements:

The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

The Motion in Support of the Settlement Agreement details certain ways in which the agreement meets this required standard,¹ including that “the agreement is consistent with law and prior Commission decisions.”² In doing so, the Motion highlights that “[t]he Settling Parties are

¹. Joint Motion of the Public Advocates Office, the Utility Reform Network, Small Business Utility Advocates, Center for Accessible Technology, The National Diversity Coalition, Coalition of California Utility Employees, California City County Streetlight Association and Pacific Gas and Electric company for Approval of Settlement Agreement, A. 18-12-009 (December 20, 2019), pp. 12-16.

² *Id.*, p. 13.

aware of no statutory provisions or controlling law that would be contravened or compromised by the Agreement” and that the “Agreement also directly supports a number of important directives in recently-enacted Assembly Bill (AB) 1054.”³ SEIA and Vote Solar do not disagree with these assertions, but would highlight that the Settlement also advances specific precepts regarding the evolution of the electric grid articulated in recently issued Commission decisions.

Specifically, in Decision 18-03-023, issued in the Distributed Resources Plan (“DRP”) proceeding (R. 14-08-013, *et al.*) in March 2018, the Commission directed each investor owned utility (“IOU”), in the distribution chapter of its next General Rate Case filing, to submit a Grid Modernization Plan. PG&E met this commitment with its submission in this proceeding. PG&E’s grid modernization project portfolio, entitled the Integrated Grid Platform Program (“IGP”), is a coordinated program of investments that is structured to facilitate both distributed energy resources (“DERS”) enablement and/or safe and reliable operations of the electric grid. The grid modernization project portfolio advanced by PG&E includes the necessary foundational technology to address the near-term impacts of DERs and grid complexity while providing the groundwork for necessary investments to accommodate future DER growth.

The Settlement Agreement maintains the funding for the IGP and grid modernization plan advanced by PG&E in this proceeding. This level of funding is reasonable given PG&E’s measured approach to grid modernization. As stated by PG&E, its plan “[i]nclud[es] only the incremental investments necessary to meet needs that have already been identified, such as the basic visibility to understand what is happening on the grid, improved interconnection and planning for DERs, and some ability to control certain DERs.”⁴ In this regard PG&E’s plan proposes to make “targeted investment approach focused on circuits that are expected to have

³ *Ibid.*

⁴ Exhibit 17, p. 19-8, lines 18-23.

significant penetration of DERs.”⁵ The scope of PG&E’s planned investment over the next five years tracks directly with DER growth forecasts.⁶

The grid modernization plan proposed by PG&E, which would be fully funded through the Settlement Agreement, is consistent with Decision 18-03-023 and the Commission’s directive that each IOU implement a reasoned grid modernization plan, thus providing further basis for Commission approval of the Settlement Agreement.

Respectfully submitted January 21, 2020 at San Francisco, California.

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⁵ *Id.*, p. 19-8, line 34 to p.19-9, line 2.

⁶ *Id.*, Attachment A, p. 19-AtchA-30, lines 3-4.

⁷ In accord with Rule 1.8 of the Commission’s Rules of Practice and Procedure, Vote Solar has afforded Counsel for SEIA to sign this pleading on their behalf.