

May 23, 2023

The Honorable Eduardo Garcia Chair, California State Assembly Utilities and Energy Committee 1020 N Street, Suite 408A Sacramento, CA 95814

# **RE:** Written Comments for 5/24 Hearing on Electrical Distribution Planning

Dear Assembly Member Garcia:

On behalf of the Rural County Representatives of California (RCRC), we appreciate the opportunity to provide written comments for your hearing on "Electrical Distribution Planning: How Addressing Current Delays in Connecting to the Distribution Grid may Ensure Readiness for an Electrified Future." RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

RCRC hopes this hearing helps catalyze long-overdue improvements to the energization/interconnection process and distribution planning in general. Many of our counties have expressed concerns over both energy reliability and the timeframe for connecting new residential, commercial, and industrial development to the grid. It is not uncommon for our counties (or project proponents) to be told it will take anywhere from 2-7 years to improve utility distribution systems to provide additional capacity to support normal growth and facilitate economic development. This is unacceptable. These excessive delays have resulted in lost opportunities for transformative economic development; inhibit local ability to increase desperately needed local housing stocks; frustrate efforts to install electric vehicle charging systems; and will stymie the state's efforts to decarbonize existing residential and commercial buildings. While these problems have gotten worse recently, they are much longer-term issues in many areas and so cannot simply be dismissed as being due to supply-chain interruptions or the state's recent push towards electrification.

## Utilities Need to Improve Coordination with Local Governments

Improved engagement with local governments and stakeholders is vital to ensure that utility distribution planning meets local needs. In some areas, the existing distribution planning process has failed, as evidenced by the severe unmet needs and exceedingly long connection timeframes (two to four years appears to be common).

1215 K Street, Suite 1650, Sacramento, CA 95814 | www.rcrcnet.org | 916.447.4806 | Fax: 916.448.3154

ALPINE · AMADOR · BUTTE · CALAVERAS · COLUSA · DEL NORTE · EL DORADO · GLENN · HUMBOLDT · IMPERIAL · INYO · KINGS · LAKE · LASSEN MADERA · MARIPOSA · MENDOCINO · MERCED · MODOC · MONO · MONTEREY · NAPA · NEVADA · PLACER · PLUMAS · SAN BENITO · SAN LUIS OBISPO SANTA BARBARA · SHASTA · SIERRA · SISKIYOU · SOLANO · SONOMA · SUTTER · TEHAMA · TRINITY · TULARE · TUOLUMNE · YOLO · YUBA The Honorable Eduardo Garcia Assembly Utilities and Energy Committee Hearing on Electrical Distribution Planning May 23, 2023 Page 2

It is encouraging that Southern California Edison and San Diego Gas and Electric survey local governments and senior staff throughout their service territory about current and future distribution needs. Unfortunately, it appears that PG&E has not done so and has instead relied largely on previously submitted project applications to inform future planning efforts. This could well have contributed to the failure of its distribution plan to meet current needs. PG&E is commendably retooling its process to ask locals about development plans and needs, local priorities, and governmental projects with critical timelines.

Common-sense improvements in consultation, coordination, and information sharing will significantly improve utilities' ability to meet customer expectations over the mid- and long-term planning horizons. Local governments and economic development officials can provide valuable input on projected development trends in their area, where those projects are anticipated to occur, and anticipated planning horizons. At a minimum, utilities should meet regularly with local governments, including their planners and local economic development officers, to determine anticipated future distribution needs. This will help avoid the need for plan revisions or communication of unrealistic timeframes to provide service to future projects.

Improved planning is a two-way street. There also needs to be greater transparency for local governments to better understand existing distribution system capacity. Our counties are planning and trying to determine where to site future housing, infrastructure, and economic development projects. The existing process for local governments to obtain that information is opaque, lengthy, and the available information may sometimes be outdated. Having this information will enable local governments to develop *implementable* housing and community development plans and avoid siting those projects in unsuitable areas. For these reasons, utilities should be ready to share up-to-date information with local governments about where distribution capacity exists or could be easily added to help meet local housing and economic development objectives. This will also help avoid future surprises when local governments approve plans for projects that were not included in utility distribution planning processes.

### Regulators and Utilities Must Develop a Nimbler Process to Meet Customer Needs

Some local economic development officials have indicated that one of the biggest impediments to local economic growth is the inability to connect those projects to the grid in a timely manner. In presentations to the California Energy Commission, the IOUs indicate that:

- Small system upgrades (increasing cable/conductor size or modification of underground conduit systems) take 1-3 years.
- Medium system upgrades (new distribution feeders or increase in substation capacity) take 4-7 years.

The Honorable Eduardo Garcia Assembly Utilities and Energy Committee Hearing on Electrical Distribution Planning May 23, 2023 Page 2

These timeframes leave many applicants with few alternatives other than to either site their project in another utility's service territory (or out of state) or rely on generators until the incumbent utility can provide service.

RCRC appreciates the complexity of these undertakings, but <u>these timeframes are</u> <u>simply unacceptable</u>. Electric utilities have monopolies within their service territories. Having been invested with great power, utilities must do better. Utilities (and regulators) must create more nimble planning and construction processes to ensure that emerging customer and statewide needs can be met in a timely manner (faster than 2-5 years). While improved coordination and consultation with local governments will help utilities prepare more accurate forecasted distribution system improvements, utilities must also develop a better process to timely connect those projects that were not anticipated in the most-recent distribution plan.

PG&E also pointed out to the Energy Commission that roughly 63% of project applications fall out of the queue and do not result in a completed project. The inference is that there are too many "speculative" projects in the utility's review process that unnecessarily delay action on other projects. Under the current process, project developers cannot learn how long it will take to get power for their project unless they submit applications to the utility. The common answer that it will take 2-4 years to provide electricity to a project is simply unworkable for many developers. As such, project abandon their applications after developers who beina given unrealistic energization/interconnection timeframes are likely to make up a significant portion of that statistic. PG&E stated they have convened a working group of labor and project developers to discuss ways to improve their application process and we look forward to the end result. Regardless, the Legislature and regulators should develop a better process and set clear expectations

## Energy Reliability Is a Growing Problem in Many Areas

Finally, it is important to recognize that energy reliability presents just as significant of a barrier to achievement of the state's electrification and climate change objectives in many rural communities. Last year, there were approximately 2,400 fast-trip power outages in PG&E's service territory, with some circuits experiencing 20 outages over the course of the year and others seeing seven outages over a single month. While we appreciate that PG&E's safety settings are intended to prevent utility wildfire ignitions, much work needs to be done to reduce the risk, frequency, and duration of these outages. It's been said that PG&E hopes to reduce the number of these outages 2% year over year; however, the lack of energy reliability is causing health, safety, psychological, and emotional challenges for many rural communities.

### **Conclusion**

While we appreciate the need to improve system capacity to achieve the state's building electrification and vehicle charging objectives, this pursuit cannot come at the expense of accommodating future housing needs and economic growth. California must

The Honorable Eduardo Garcia Assembly Utilities and Energy Committee Hearing on Electrical Distribution Planning May 23, 2023 Page 2

take a holistic approach to ensure that the state's climate change, housing, and economic development objectives are achieved concurrently.

RCRC appreciates the opportunity to provide these written comments and we look forward to working with you, the Legislature, the CPUC, and utilities to improve distribution planning and reduce delays in providing power to customers.

If you should have any questions, please do not hesitate to contact me at <u>jkennedy@rcrcnet.org</u>.

Sincerely,

John Kennedy

JOHN KENNEDY Policy Advocate

cc: The Honorable Eduardo Garcia, Chair, Assembly Utilities and Energy Committee Members of the Assembly Utilities and Energy Committee Laura Shybut, Chief Consultant, Assembly Energy and Utilities Committee Greg Melkonian, Consultant, Assembly Republican Caucus