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PUBLIC UTILITIES CODE - PUC

DIVISION 4.1. PROVISIONS APPLICABLE TO PRIVATELY OWNED AND PUBLICLY OWNED PUBLIC UTILITIES [8301 - 8390] (*Heading of Division 4.1 amended by Stats. 1988, Ch. 1560, Sec. 2.*)

CHAPTER 4.5. Microgrids [8370 - 8372] (*Chapter 4.5 added by Stats. 2018, Ch. 566, Sec. 2.*)

8370. For purposes of this chapter, the following definitions shall apply:

- (a) "Customer" means a customer of a local publicly owned electric utility or of a large electrical corporation. A person or entity is a customer of a large electrical corporation if the customer is physically located within the service territory of the large electrical corporation and receives bundled service, distribution service, or transmission service from the large electrical corporation.
- (b) "Distributed energy resource" means an electric generation or storage technology that complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.
- (c) "Large electrical corporation" means an electrical corporation with more than 100,000 service connections in California.
- (d) "Microgrid" means an interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined electrical boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.

(*Added by Stats. 2018, Ch. 566, Sec. 2. (SB 1339) Effective January 1, 2019.*)

8371. The commission, in consultation with the Energy Commission and the Independent System Operator, shall take all of the following actions by December 1, 2020, to facilitate the commercialization of microgrids for distribution customers of large electrical corporations:

- (a) Develop microgrid service standards necessary to meet state and local permitting requirements.
- (b) Without shifting costs between ratepayers, develop methods to reduce barriers for microgrid deployment.
- (c) Develop guidelines that determine what impact studies are required for microgrids to connect to the electrical corporation grid.
- (d) Without shifting costs between ratepayers, develop separate large electrical corporation rates and tariffs, as necessary, to support microgrids, while ensuring that system, public, and worker safety are given the highest priority. The separate rates and tariffs shall not compensate a customer for the use of diesel backup or natural gas generation, except as either of those sources is used pursuant to Section 41514.1 of the Health and Safety Code, or except for natural gas generation that is a distributed energy resource.
- (e) Form a working group to codify standards and protocols needed to meet California electrical corporation and Independent System Operator microgrid requirements.
- (f) Develop a standard for direct current metering in the commission's Electric Rule 21 to streamline the interconnection process and lower interconnection costs for direct current microgrid applications.

(*Amended by Stats. 2019, Ch. 497, Sec. 248. (AB 991) Effective January 1, 2020.*)

8371.5. Nothing in this chapter shall discourage or prohibit the development or ownership of a microgrid by an electrical corporation.

(Added by Stats. 2018, Ch. 566, Sec. 2. (SB 1339) Effective January 1, 2019.)

8372. (a) Within 180 days of the first request from a customer or developer to establish a microgrid, the governing board of a local publicly owned electric utility shall develop and make available a standardized process for the interconnection of a customer-supported microgrid, including separate electrical rates and tariffs, as necessary. The separate rates and tariffs shall not compensate a customer for the use of diesel backup or natural gas generation, except as either of those sources is used pursuant to Section 41514.1 of the Health and Safety Code, or except for natural gas generation that is a distributed energy resource.

(b) The governing board shall ensure the microgrid rates and charges do not shift costs to, or from, a microgrid customer or nonmicrogrid customer, and shall ensure each microgrid and its components comply with the local publicly owned electric utility's applicable regulatory requirements.

(Added by Stats. 2018, Ch. 566, Sec. 2. (SB 1339) Effective January 1, 2019.)