



National Association of State Energy Officials

Achieving Community Resilience through Microgrids

NARUC-NASEO Microgrids State Working Group Webinar JAN. 13, 2021 3:00 – 4:00 PM ET

MEMBERS-ONLY DISCUSSION 4:00 – 4:30 PM ET

NARUC-NASEO BRIEFING PAPERS RELEASED

User Objectives and Design Approaches for Microgrids: Options for Delivering Reliability and Resilience, Clean Energy, Energy Savings, and Other Priorities

Private, State, and Federal Funding and Financing Options to Enable Resilient, Affordable, and Clean Microgrids

View press releases:

https://www.naseo.org/news-article?NewsID=3562

https://www.naruc.org/about-naruc/press-releases/new-naruc-naseoreports-on-microgrid-financing-and-use-cases/





Speakers:

- Mike Gravely, Research Program Manager, California Energy Commission
- Jana Ganion, Sustainability and Government Affairs Director, Blue Lake Rancheria, California
- Craig Lewis, Executive Director, Clean Coalition



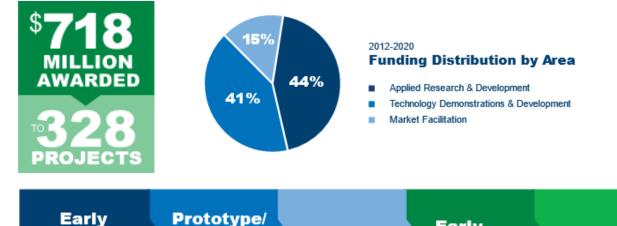


EPIC Program | Enabling a 100% Clean Energy Future

California Energy Commission



Accelerating Clean Energy Innovation





A Decade of Microgrid Research





- Developed approaches to integrating multiple DERs
- Supported controller development

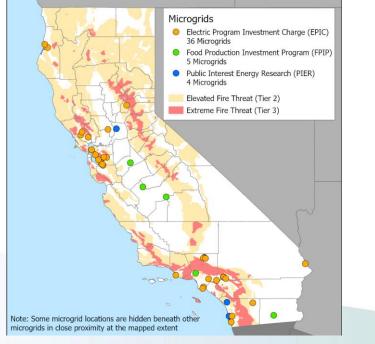
- Demonstrated resiliency value for critical facilities
- Integrated large number of resources
- Refined controller designs

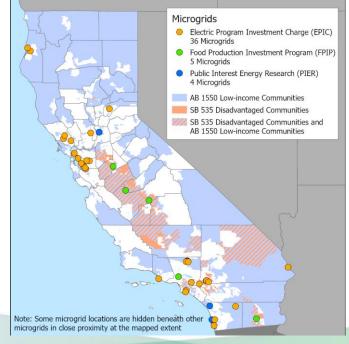
 Creating business plans and commercialization pathways for microgrids in California



Providing Critical Functions

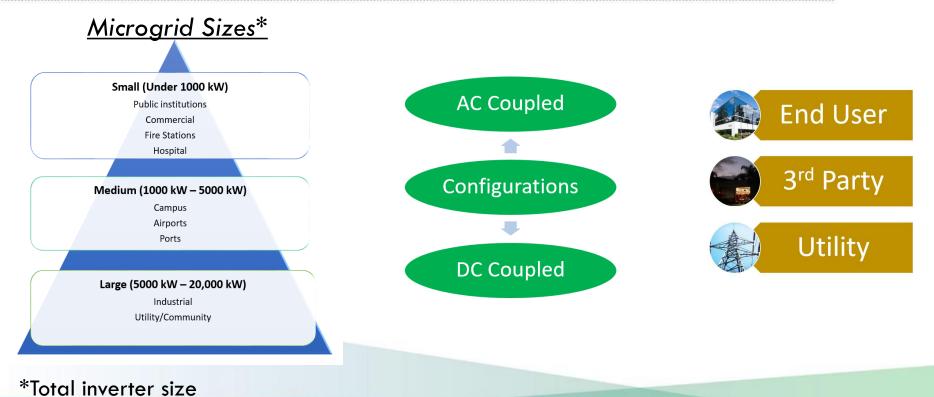
34 microgrid projects - \$91M invested - \$75M match





A Diverse Portfolio





A Diverse Portfolio

ENERGY COMMISS

Critical Facilities











City Hall, Police HQ, and



Fire Stations

Waste Water Treatment Plant



Airport





Military







Communities







Industrial



Digester



Distribution Center



Community Microgrid at Blue Lake Rancheria

Microgrid Design

Solar: 420 kW AC PV ground-mounted array

Energy Storage: 500 kW / 950 kWh lithium-ion battery storage

Software & Controls: Siemens Spectrum Power 7 Microgrid Management System and Schweitzer Engineering Laboratories Protection Relays

Other Infrastructure: Purchased distribution system infrastructure to create a new point of common coupling with the grid, integrating six buildings into the microgrid behind one electric meter

Technology Integration: The Schatz Energy Research Center at Humboldt State University

UNIQUE PROJECT ASPECTS

- ✓ American Red Cross shelter
- \checkmark Successfully islanded during several unplanned utility outages due to weather and nearby wildfires
- \checkmark Can deploy five levels of load shedding depending on the outage and system conditions
- ✓ Achieving cost savings: 58% overall energy







SCHATZ ENERGY RESEAR CENTER



Emergency Microgrids for Fire Stations

Microgrid Design

Solar: 38 kW solar PV at Fire Station 11, 43 kW each at Fire Stations 6 and 7

Energy Storage: 110 kWh li-ion battery storage at each

Software & Controls: Gridscape Solutions' cloud-based predictive distributed energy resource management software (DERMS) and energy management system – EnergyScope

Technology Integration: Gridscape Solutions

UNIQUE PROJECT ASPECTS

- ✓ Displaces diesel generation and extends fuel reserves in emergency, keeping the fire station online longer as a viable first responder
- \checkmark System design refined over deployments.
- \checkmark Demonstrated more than 10 hours of islanding capability
- ✓ Gridscape expanding to other communities



GRIDGCAPE







Redwood Coast Airport Microgrid

Humboldt State Univeristy

- Collaborative design and operation
 - RCEA 2.2MW PV & 2.2MW/8.8 MWh storage (CAISO participation) & 320 KW PV (reduces airport electricity bill)
 - PG&E FTM microgrid
- Community-scale system multiple customers, including USCG Air Station
- Create experimental tariffs/agreements for fair allocation of costs & compensation of third party generator
- Participate in CAISO wholesale market
- Create a replicable business model









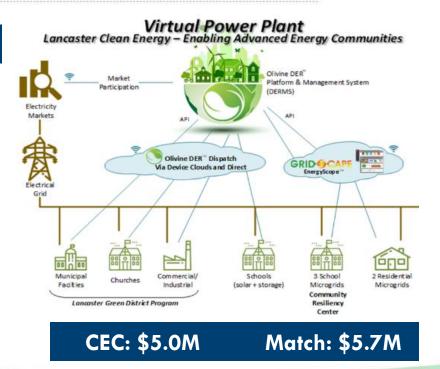
CEC: \$5M \$6.3M



Lancaster Advanced Energy Community

Zero Net Energy (ZNE) Alliance

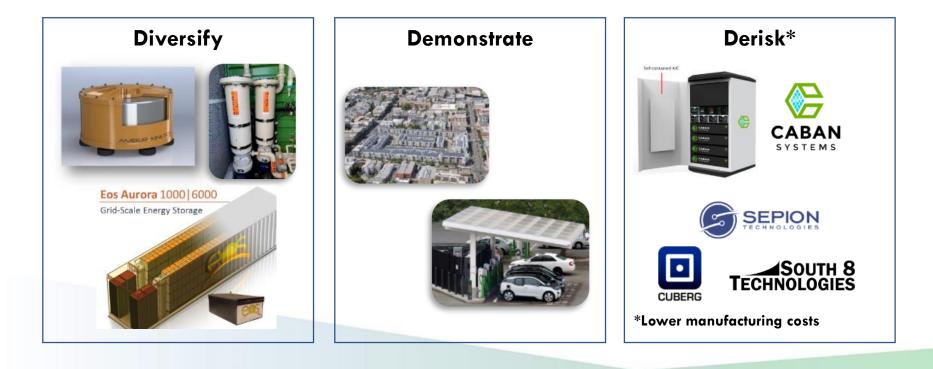
- Developing a virtual power plant of connected DERs
 - 5 MW PV & 10 MWh storage
- 2 ZNE affordable housing developments
 - 70 unit 780 KWh Li-ion
 - 164 unit 500 KWh flywheel
- 3 school microgrids
- Partner with Lancaster Green District to deploy more BTM storage







Energy Storage Research – A Critical Microgrid Enabler





Questions



Achieving Community Resilience Through Microgrids

NARUC-NASEO Microgrids State Working Group 1/13/2021

Jana Ganion, Sustainability and Government Affairs Director jganion@bluelakerancheria-nsn.gov

BLUE LAKE RANCHERIA

A Federally Recognized Tribal Government

Blue Lake Rancheria Overview

- Tribal government; nation; community
- Federally recognized 1908
- Terminated 1958; Restored 1983
- Governed by elected, five-member
 Tribal Business Council
- ~100 acres of trust land
 - Spans the Mad River
- Tribal Utility Authority (2013)
- Top 10 employers in rural Humboldt County
 - ~400 employees



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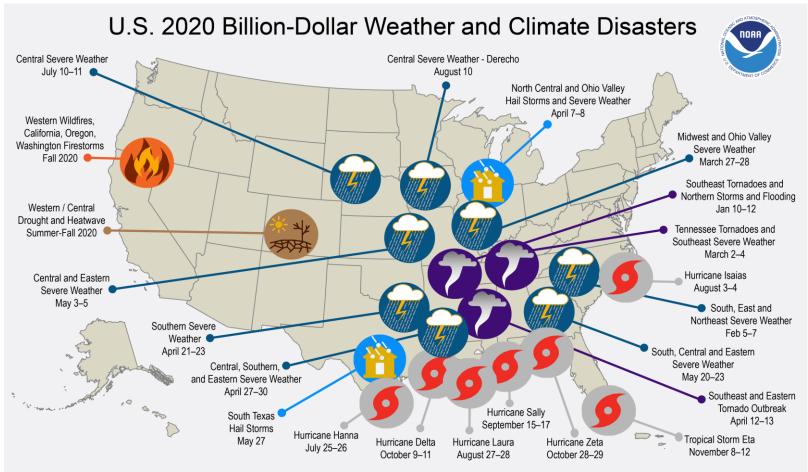
Resilience Rationale – Global / National

- 2020: highest number of billion-dollar disasters in U.S. ever
- 2019: highest ocean temperatures ever recorded (NOAA)
- 2010-2019: warmest decade ever recorded (NOAA)
- Antarctic & Greenland ice sheets: contain ~220 feet of sea level rise; melt is earlier than predicted, and accelerating (NASA)
- CO2 concentrations are at highest levels in human history, >415 ppm, and increase is accelerating (NOAA)
- Larger storms/wildfires; persistent drought; extreme heat; air pollution
- Increasing GHG emissions; need more data
 - Unknown large methane emissions
 - https://www.nytimes.com/interactive/2019/12/12/climate/texas-methane-superemitters.html
- Species die-offs (e.g., pollinators, Australia wildfires)
- Feedback loops are accelerating e.g., Arctic permafrost melt; methane hydrates





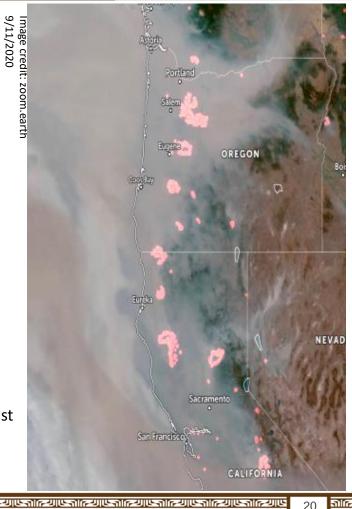
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This map denotes the approximate location for each of the 22 separate billion-dollar weather and climate disasters that impacted the United States during 2020.

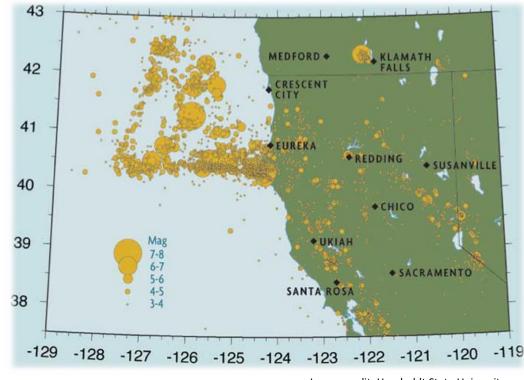
Resilience Rationale - Local

- Global climate change *amplifies* local conditions
- Extended "severe" drought
- Onpredictable, volatile weather, extreme storms
 - Arcata, CA 'rain bomb' 9/2019: ~2" in 30 minutes
- Suisance power outages are common, but worsening
 - One in November 2019, One in January 2020 (entire county)
 - Rolling blackouts in Aug/Sept 2020
 - Due to grid stress and historic heat waves across the western US.
- "Public Safety Power Shutoffs" (PSPS)
 - Planned outages to prevent wildfires from electrical grid; projected to last
 2-10 days; two PSPS events in Oct. 2019, one in September 2020
- Increased wildfires and air pollution



Resilience Rationale - Local

- Cascadia Subduction Zone,
 Mendocino Fault, Gorda Plate, Pacific
 Plate, North American Plate converge
 at 'triple junction,' directly offshore
 from Humboldt County.
- Serious earthquake / tsunami risk
 - Can achieve >9.0 earthquake
- Entire Pacific Coast can be simultaneously impacted
 - Due to relatively low population, our region may be lower priority for response



Resilience Rationale - Local

- "Behind the Redwood Curtain"
- Tenuous connection to natural gas, electrical, and digital communications grids
 - Increasing risk of damage / disruption
- Landslides | Floods
- Disruption of local supply chains
 - Sood
 - Diesel / gas / propane
 - Can't rely on liquid fuels for transport or energy
- Sea Level Rise (SLR)
 - Humboldt County has fastest SLR on the Pacific Coast
 - Impacts to local anchor power plant and other infrastructure
 - Of the second second





Simultaneous landslides across two (of three) main highways to the region. Photo credit: CalTrans



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Climate-smart Resilience Strategy

- Transition to 'climate-smart' infrastructure ASAP
 - Improve continuity of operations (COOP), community health, resilience
 - Economy-enabling investments
 - more jobs; lower, predictable costs
 - increased local capacity (key in rural regions)
- "Lifeline Sector" Priorities
 - Senergy, Water, Food, Transportation, Communications
 - If these are done well, social, economic, and environmental benefits result
- Zero-carbon Solutions
 - Pairing climate mitigation + adaptation
 - Solving current climate impacts with lowest carbon solutions
 - Avoid making underlying causes worse
 - Achieve zero net greenhouse gas emissions by 2030





Low-carbon Microgrids at Blue Lake Rancheria

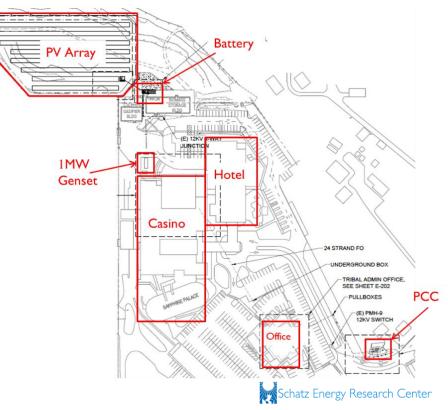
- Community scale in operation since 2017
- Facility scale in operation since early 2020
- Campus scale in design, full operation by 2022
- Three clustered microgrids allow for ongoing research in reliability, load management / demand response and grid benefits





Community Scale Microgrid

- Public/private partnership Tribe, Schatz Energy
 Research Center, Humboldt State, PG&E, Siemens,
 Tesla, CEC, CPUC, Idaho Nat'l Lab, others
- Funded by the Tribe, and a CEC R&D grant
- Powers tribal government offices, economic enterprises, critical lifeline sectors
 - American Red Cross Shelter; Covid-19 Testing
- Can seamlessly island and reconnect to grid
- 420kW solar PV; 2MWh battery storage; diesel generators
- Annual energy cost savings ~\$200,000
- Annual greenhouse gas reductions ~200 tons



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Facility Microgrid "Solar+"





Photo:

Theindychannel.com

Public/private partnership

- Blue Lake Rancheria, Schatz Energy Research Center, Humboldt State,
 PG&E, SunPower, Tesla, CEC, Lawrence Berkeley National Lab, others
- Funded by the Tribe and a CEC EPIC R&D grant
- Powers fuel station / convenience store complex and EV charging
- Creates a replicable, low-carbon 'resilience package'
- Solar PV (60kW) + battery storage (106kw/169kwh) clean energy
- Solution Can island from, and reconnect to, the larger grid
- Solution Advanced building controls efficiency, demand response, balance
- In emergencies:
 - Supply lifeline sectors to public; emergency responders
 - Important where these types of facilities are the only community resource (e.g., in rural areas)

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Microgrids at work in emergencies

- Public Safety Power Shutoff (PSPS) 10/9/19
- Served over 10,000 people (~10% of the county)
- Supplied general public & response agencies
 - Power
 - Provided critical medical housing in hotel
 - Communication device charging
 - Electric Vehicle (EV) charging
 - Sector Fuels (electricity, gas, diesel, propane)
 - Supplies (ice, water, food)
 - Internet access, cellular connection, ATMs
 - Fuel for local clinic to keep medicines cold
 - Community Support Center | Business Center
 - Times-Standard regional paper of record published onsite
- The PSPS apparently did its job no wildfires
- The microgrids did their job regional support





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Wildfire Outage Reflections

- Outages were relatively short
 - Utilities/agencies worked to limit scope, appreciated given severe, fast-changing weather
 - If outages would have lasted longer, there would have been other issues
 - © Cellular / internet communications outages (started to fail at the 24 hour mark)
 - Impacts emergency communication, and electrical grid controls that require internet connectivity
 - Water/wastewater systems
 - © Further economic and social disruption
- Tribe's resilience worked; was well-received
 - Increased interest in microgrids and grid segmentation
 - Focus on overlap of telecom/energy
 - Focus on overlap of transportation/energy
- PSPSs predicted for the next decade or longer



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Microgrids as Solutions

- Low- or zero-emission microgrids' stacked benefits
 - Sesilience, jobs, capacity, GHG and pollution reduction
- How are microgrids valued; how do we fund them?
 - In business as usual and emergencies; local and regional benefit
 - Solution Value of lower emission energy and transportation
 - Value of resilience and resource adequacy
- Microgrid knowledge transfer

- Avoid inappropriate technology, increase standardization, lower capital and O&M costs (slower if overly proprietary)
- How to best manage microgrids?
 - Increase regional expertise/capacity | ensure safety and broad grid ecosystem benefits
 - 24/7 emergency response and O&M (electricians, IT)
 - Inter-jurisdictional issues, interconnection policy lag
 - Regional utility owned and operated?
- Microgrids vs. segmenting the grid to enable larger, more cost-effective generation/storage projects and ensure all systems are coordinated for grid-easing benefit





Final Thoughts

- Tribes are increasing jurisdictional and operational control of utilities that serve their nations and communities.
- Tribes will be increasingly assuming a utility commission role and portfolio – rate setting, policies, programs
- Tribes will be building more community-scale and utility-scale clean DERs.
- Recommend creating forums to collaborate at the regulatory level



2015-2016 "Climate Action Champion" White House and U.S. Department of Energy

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Further Reading

- Washington Post article on microgrid and resilience: <u>https://www.washingtonpost.com/climate-solutions/2020/01/01/amid-shut-off-woes-</u> beacon-energy/?arc404=true
- Technical reports on microgrids: <u>https://ww2.energy.ca.gov/2019publications/CEC-500-2019-011/CEC-500-2019-011.pdf</u> and <u>https://ww2.energy.ca.gov/2018publications/CEC-500-2018-022/CEC-500-2018-022.pdf</u>
- T&D World article on microgrid: <u>https://www.tdworld.com/grid-innovations/smart-grid/article/20971186/microgrid-serves-multiple-purposes</u>
- Reasons to be Cheerful article on Blue Lake Rancheria resilience: <u>https://reasonstobecheerful.world/power-struggle/</u>
- NOAA Climate Website: <u>https://www.noaa.gov/climate</u>
- > National Security Implications of a Changing Climate:

https://obamawhitehouse.archives.gov/sites/default/files/docs/National_Security_Implications_of_Changing_Climate_Final_051915.pdf

- Intergovernmental Panel on Climate Change Special Report: <u>https://www.ipcc.ch/sr15/</u>
- United Nations Environment Programme Emissions Gap Report (2019):

https://wedocs.unep.org/bitstream/handle/20.500.11822/30798/EGR19ESEN.pdf?sequence=13

Rhodium Group Climate Risk Data: <u>https://rhg.com/impact/climate-risk/</u>

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Value-of-resilience from Solar Microgrids

VOR123 Methodology

Craig Lewis Executive Director Clean Coalition 650-796-2353 mobile craig@clean-coalition.org

Making Clean Local Energy Accessible Now

13 January 2021



Mission

To accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise.

100% renewable energy end-game

- 25% local, interconnected within the distribution grid and facilitating resilience without dependence on the transmission grid.
- 75% remote, dependent on the transmission grid for serving loads.

VOR123 methodology yields a 25% typical adder

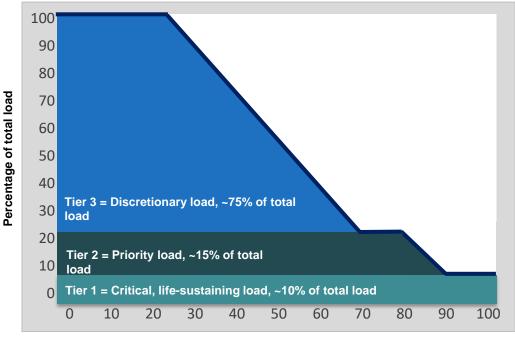


There are different VOR multipliers for each of the three load tiers. The following valuation ranges are typical for most sites:

- **Tier 1**: 100% resilience is worth 3 times the average price paid for electricity. In other words, indefinite energy resilience for critical loads is worth 3 times the average price paid for electricity. Given that the typical facility has a Tier 1 load that is about 10% of the total load, applying the 3x VOR Tier 1 multiplier warrants a 20% adder to the electricity bill.
- Tier 2: 80% resilience is worth 1.5 times the normal price paid for electricity. In other words, energy resilience that is provisioned at least 80% of the time for priority loads is worth 1.5 times the average price paid for electricity. Given that the typical facility has a Tier 2 load that is about 15% of the total load, applying the 1.5x VOR Tier 2 multiplier warrants a 7.5% adder to the electricity bill.
- **Tier 3**: Although a standard-size Solar Microgrid can provide backup power to Tier 3 loads a substantial percentage of the time, Tier 3 loads are by definition discretionary, and therefore, a Tier 3 VOR multiplier is negligible and assumed to be zero.

Taken together, the Tier 1 and Tier 2 premiums for a standard load tiering situation yields an effective VOR of between 25% and 30%. Hence, the **Clean Coalition uses 25% as the typical VOR123 adder that a site should be willing to pay**, including for indefinite renewables-driven backup power to critical loads — along with renewables-driven backup for the rest of the loads for significant percentages of time.

Typical load tier resilience from a Solar Microgrid



Percentage of time

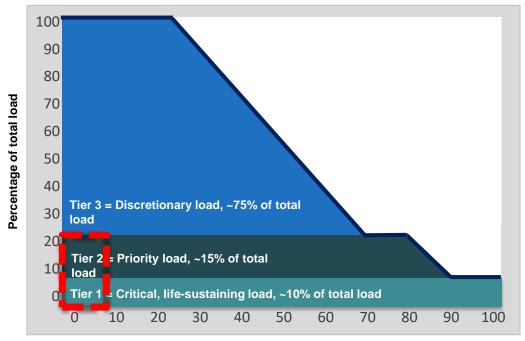
Percentage of time online for Tier 1, 2, and 3 loads for a Solar Microgrid designed for the University of California Santa Barbara (UCSB) with enough solar to achieve net zero and 200 kWh of energy storage per 100 kW solar.

Clean *f*

Coalition

Diesel generators are designed for limited resilience





Percentage of time

A typical diesel generator is configured to maintain 25% of the normal load for two days. If diesel fuel cannot be resupplied within two days, goodbye. This is hardly a solution for increasingly necessary long-term resilience. In California, Solar Microgrids provide a vastly superior trifecta of economic, environmental, and resilience benefits.

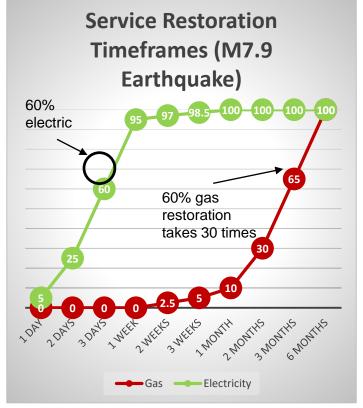
Natural gas infrastructure is not resilient

Clean Coalition

- Assertion: Gas-driven generation is often claimed to be resilient.
- **Reality:** Gas infrastructure is not resilient and takes much longer to restore than electricity infrastructure.
- **Threats:** Gas infrastructure can be flatout dangerous and is highly vulnerable to earthquakes, fires, landslides, and terrorism.



2010 San Bruno Pipeline Explosion



Source: The City and County of San Francisco Lifelines Study

Validating VOR123 – four confirming approaches



Importantly, the Clean Coalition has resolved on the general 25% premium figure after conducting numerous analytical approaches, including the following three primary methodologies:

- 1. Cost-of-service (COS): This is the cost that suppliers will charge in order to offer the Solar Microgrid VOR across the Tier 1, 2, and 3 loads (VOR123). As evidenced by a case study of the Santa Barbara Unified School District (SBUSD), a COS that reflects a 25% resilience adder is sufficient to attract economically viable Solar Microgrids at the larger school sites.
- 2. Department of Energy (DOE) Multiplier: The DOE researched VOR and determined that the overall value of critical load that is missed due to grid outages over an annual period is \$117/kWh. While the Clean Coalition stages Solar Microgrids to provide indefinite solar-driven backup power to critical loads, and considers 30 consecutive days to be a proxy for indefinite, the Clean Coalition assumed a conservative annual cumulative outage time of 3 days for the DOE Multiplier VOR analysis. The SBUSD case study yielded an overall 30% VOR adder to the 2019 electricity spend, as indicated in the table below.

Prototypical	Average Tier 1	Tier 1 kWh/year missed	VOR	Total 2019	DOE-derived VOR
School	Load (kW)	(72 hours/year)	(\$117/kWh)	electricity spend	% of 2019 spend
Franklin ES	4.7	336	\$39,256	\$70,000	56%
La Cumbre JHS	2.8	202	\$23,587	\$78,000	30%
San Marcos HS	4.4	314	\$36,729	\$188,000	20%
Totals	11.8	851	\$99,572	\$336,000	30%

DOE Multiplier results for SBUSD prototype schools

Validating VOR123 – four confirming approaches



3. Market-Based: This is essentially the market price, where supply meets demand, and the Direct Relief Solar Microgrid provides a local case study. Direct Relief has deployed a 320 kW PV and 676 kWh BESS Solar Microgrid, and while the PV is purchased via a roughly breakeven PPA, the BESS is leased at an annual cost of \$37,500. While the size of the Direct Relief BESS (676 kWh) is a bit smaller than the size of the San Marcos Solar Microgrid BESS (710 kWh), Direct Relief is paying a bit more (\$37,500/year) than the DOE Multiplier would value the San Marcos BESS (\$36,729/year, as shown in Table 2-2).



Direct Relief Solar Microgrid

Validating VOR123 – four confirming approaches



4. Avoided Diesel Generator Cost: This approach is analogous to the previous cost-of-service (COS) approach, except it calculates the adder needed for a diesel generator to fulfill the VOR123 level of resilience. For this calculation, we equate "indefinite backup" to 30 days, and assume such a grid outage occurs once per year, during which the loads need to be maintained according to the standard VOR123 profile. The result, for a diesel backup system sized for a 1 million kWh/year site in Santa Barbara, is a **21 % adder** to the electricity bill.

Site Load Inputs

Total Site Annual Load (kWh)	1,000,000
Outage Duration (days)	30
Number of outages/year	1
Average cost of utility-purchased	
electricity (\$/kWh)	\$0.18
Average Site Power (kW)	114
Yearly cost of utility-purchased electricity	\$180,000

VOR123 Parameters

Tier 1 % of time	100%
Tier 2 % of time	80%
Tier 3 % of time	30%
Tier 1 % of load	10%
Tier 2 % of load	15%
Tier 3 % of load	75%

TCLR (kWh)	36,575

Diesel Genset Size Check

Diesel genset size (kW)	200
Peak load (kW)	171

Diesel Tank Capacity Check

Diesel genset tank capacity (gallons)	3,000
Diesel used for TCLR (gallons)	3,040

Financials

Diesel Genset Depreciation Life (years)	15
Diesel Genset Capex	\$350,000
Diesel Genset Opex (\$/year)	\$14,694
Diesel Genset Depreciated Capex (\$/year)	\$23,333
Diesel Genset Total Yearly Cost	\$38,027

Cost of Diesel Genset backup energy	
(\$/kWh)	\$1.04
% adder of Diesel backup cost on top of	
utility-purchased electricity	21%



Goleta Load Pocket (GLP) Community Microgrid case study

Goleta Load Pocket (GLP) and attaining resilience

Clean Coalition

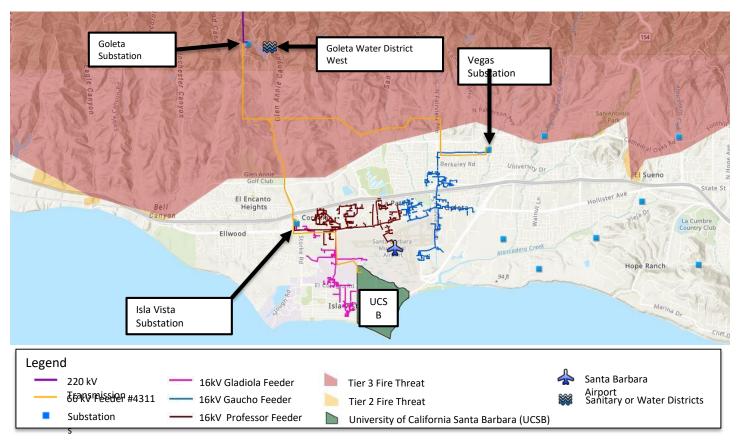


- GLP spans 70 miles of California coastline, from Point Conception to Lake Casitas, encompassing the cities of Goleta, Santa Barbara (including Montecito), and Carpinteria.
- GLP is highly transmission-vulnerable and disaster-prone (fire, landslide, earthquake).
- **200 megawatts (MW) of solar and 400 megawatt-hours (MWh) of energy storage** will provide 100% protection to GLP against a complete transmission outage ("N-2 event").
 - 200 MW of solar is equivalent to about 5 times the amount of solar currently deployed in the GLP and represents about 25% of the energy mix.
 - Multi-GWs of solar siting opportunity exists on commercial-scale built environments like parking lots, parking structures, and rooftops; and 200 MW represents about 7% of the technical siting potential.
 - Other resources like energy efficiency, demand response, and offshore wind can significantly reduce solar+storage requirements.

Making Clean Local Energy Accessible Now

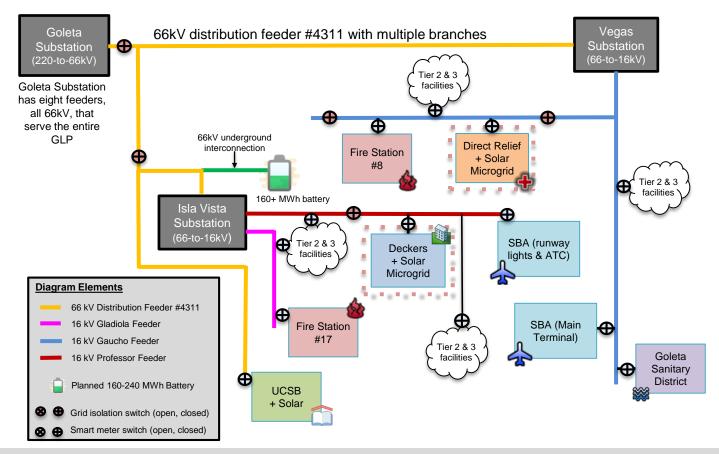
Target 66kV feeder at the core of the GLP

Clean Coalition



Target 66kV feeder grid area block diagram

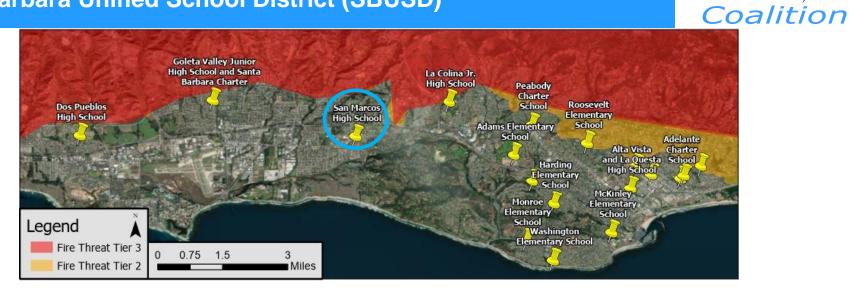
Clean Coalition





Santa Barbara Unified School District (SBUSD) case study

Santa Barbara Unified School District (SBUSD)

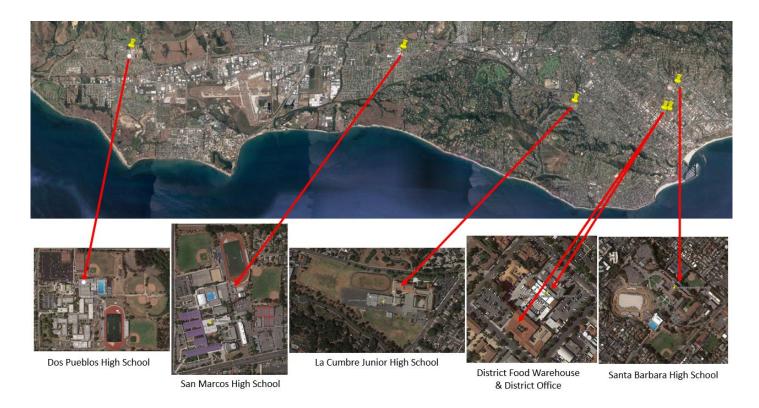


- The entire Santa Barbara region is surrounded by extreme fire risk (earthquake & landslide risk too) and is extremely vulnerable to electricity grid outages.
- The SBUSD is a major school district that increasingly recognizes the value-of-resilience (VOR) and has embraced the Clean Coalition's vision to implement Solar Microgrids at a number of

Making Clean Local Energy Accessible Now

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Guaranteed SBUSD bill savings and free VOR



Lifetime (28-year) Bill Savings and Added Value of Resiliency





Valencia Gardens Energy Storage (VGES) Community Microgrid opportunity

Peek at the Community Microgrid future

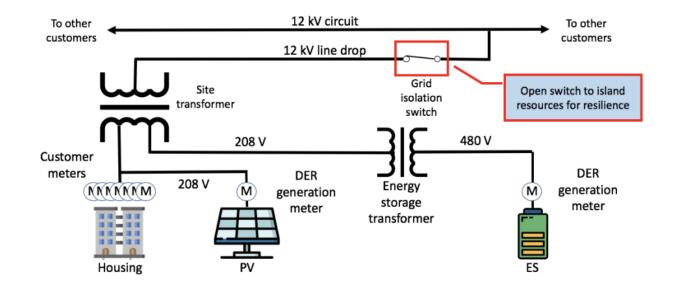
Clean Coalition



Ecoplexus project at the Valencia Gardens Apartments in SF. ~800 kW meeting ~80% of the total annual load.

VGES pathway to Community Microgrid





VGES can be upgraded to a full Community Microgrid via a single Grid Isolation Switch

QUESTIONS

Submit questions two ways:

- Raise your hand and the moderator will call on you to unmute your line Enter your PIN – click Audio to see it
- 2. Type a question into the question box





National Association of State Energy Officials



THANK YOU

This concludes the webinar.

NARUC-NASEO Microgrids State Working Group members are invited to remain for a brief members-only discussion.





National Association of State Energy Officials