

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

Application of San Diego Gas & Electric Company (U902E) for Approval of its 2018 Energy Storage Procurement and Investment Plan.

Application 18-02-016
(Filed February 28, 2018)

Application of Pacific Gas and Electric Company for Approval of its 2018 Energy Storage Procurement and Investment Plan. (U39E).

Application 18-03-001
(Filed March 1, 2018)

Application of Southern California Edison Company (U338E) for Approval of its 2018 Energy Storage Procurement and Investment Plan.

Application 18-03-002
(Filed March 1, 2018)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON PROPOSED DECISION APPROVING AB 2514 ENERGY STORAGE
PROCUREMENT FRAMEWORK FOR THE 2018 BIENNIAL PROCUREMENT
PERIOD**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ hereby submits

¹ 8minutenergy Renewables, Able Grid Energy Solutions, Advanced Microgrid Solutions, AltaGas Services, Amber Kinetics, American Honda Motor Company, Inc., Axiom Exergy, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Carbon Solutions Group, Centrica Business Solutions, Consolidated Edison Development, Inc., Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, ElectrIQ Power, eMotorWerks, Inc., Enel, Energport, ENGIE, E.ON Climate & Renewables North America, esVolta, Fluence Energy, GAF, General Electric Company, Greensmith Energy, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Iteros, Johnson Controls, Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Magnum CAES, Mercedes-Benz Energy, NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., NRG Energy, Inc., Parker Hannifin Corporation, Pintail Power, Primus Power, Range Energy Storage

these comments on the Proposed Decision Approving AB 2514 Energy Storage Procurement Framework for the 2018 Biennial Procurement Period (“Proposed Decision”), issued by Administrative Law Judge (“ALJ”) Brian Stevens on September 25, 2018.

I. INTRODUCTION.

CESA supports the determinations made in the Proposed Decision around Assembly Bill (“AB”) 2514 issues in the investor-owned utilities’ (“IOU”) 2018 Energy Storage Procurement Plans. Given that the investor-owned utilities (“IOUs”) are making significant progress toward the AB 2514 procurement targets and have other active solicitations underway where energy storage is eligible and could count toward AB 2514 targets if procured and approved, CESA finds it reasonable for Southern California Edison Company (“SCE”) and San Diego Gas and Electric Company (“SDG&E”) to generally take no action for this biennial cycle, specifically through Energy Storage Request for Offers (“RFO”). Despite the uncertainty of Commission approval of Draft Resolution E-4949, CESA also supports Pacific Gas and Electric Company (“PG&E”) for moving forward with a 2018 Energy Storage RFO at this time to continue market transformation and provide a backup procurement vehicle for additional energy storage to meet its 2018 procurement targets in case the Draft Resolution E-4949 projects are not approved.

CESA supports the Proposed Decision and has no issues with the generally unopposed AB 2514 plans of any of the IOUs. Instead, CESA only offers comments on how some of the key policy issues that have arisen in these 2018 Energy Storage Applications (A.18-02-016, A.18-03-001, and A.18-03-002) as well the 2016 Energy Storage RFO Applications (A.17-12-002, A.17-

Systems, Recurrent Energy, Renewable Energy Systems (RES), Sempra Renewables, Sharp Electronics Corporation, SNC Lavalin, Southwest Generation, Sovereign Energy, Stem, STOREME, Inc., Sunrun, Swell Energy, True North Venture Partners, Viridity Energy, VRB Energy, Wellhead Electric, and Younicos. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>).

12-003) warrant a new Energy Storage Rulemaking. In addition, CESA encourages the Commission to affirm that PG&E have the flexibility to move forward with a 2018 Energy Storage RFO, possibly with some modifications to target specific domains or use cases.

II. THE PROPOSED DECISION RIGHTLY DEFERS ENERGY STORAGE DIVERSITY ISSUES IN THESE APPLICATIONS BUT A NEW RULEMAKING IS NEEDED TO MORE DEEPLY DISCUSS THESE POLICY ISSUES.

CESA appreciates the Commission’s consideration of energy storage technology diversity issues through its consideration in the Scoping Memo as well as through the *Assigned Commissioner’s and Assigned Administrative Law Judge’s Ruling Requesting Comments on Issues Pertaining to Energy Storage Technology Diversity* (“Ruling”), issued on August 8, 2018. In accordance with the Ruling, CESA proposed the Energy Storage Emerging Technology Procurement Plan (“ES-ETPP”) as a framework to consider incremental energy storage procurements beyond the AB 2514 targets that could support the transformation of emerging energy storage technologies that would position the state to address evolving grid needs.² With the Commission having the authority to increase or revise the adopted energy storage procurement targets for each of the IOUs, CESA views the ES-ETPP as a viable idea that could position the state with a diverse array of energy storage tools and capabilities to meet future grid needs.

CESA believes that the questions posed in the Ruling as well as our proposed ES-ETPP warrant consideration in a future rulemaking. Given that the previous rulemaking, R.15-03-011, has closed, there is currently no proceeding to address this important policy matter. CESA agrees

² *Comments of the California Energy Storage Alliance to Assigned Commissioner’s and Assigned Administrative Law Judges’ Ruling Requesting Comments on Issues Pertaining to Energy Storage Technology Diversity*, filed on August 28, 2018.

<http://www.storagealliance.org/sites/default/files/Filings/2018-08-28%20CESA%27s%20Comments%20on%20Energy%20Storage%20Diversity%20Ruling%20-%20FINAL.pdf>

with the Proposed Decision that the value of energy storage diversity warrants further discussion and thus defers a determination on this matter until a potential future rulemaking.³ However, since this proceeding (A.18-02-016, *et al.*) will also close with the final approval of the IOUs' AB 2514 and AB 2868 plans, there is an urgency to open a new rulemaking to begin policy-related deliberations around the energy storage diversity issue prior to the 2020 biennial cycle.

III. THE COMMISSION SHOULD AFFIRM THAT PG&E BE ALLOWED TO CONDUCT A 2018 ENERGY STORAGE RFO TO MEET RESIDUAL NEEDS.

CESA supports PG&E's intent to move forward with its 2018 Energy Storage RFO plans, but depending on the Commission approval of Draft Resolution E-4949 projects, PG&E proposed to provide an update to its offers targets and procurement strategy. If the Draft Resolution E-4949 projects are approved, CESA forecasts no residual need for transmission and distribution domain projects, but there may still be some residual need to meet its cumulative customer-domain target, which is approximately 57.35 MW. While Self-Generation Incentive Projects ("SGIP") may count toward some or large portion of these targets, there may be an opportunity for PG&E to pursue customer-domain projects in a utility solicitation for Resource Adequacy ("RA") capacity (as done in one Draft Resolution E-4949 contract in addition to one 2016 Energy Storage RFO contract), distribution deferral, or some other use case. CESA thus recommends that the Commission affirm that PG&E be allowed to conduct a 2018 Energy Storage RFO to potentially solicit the energy storage marketplace to potentially meet these residual needs. In light of PG&E's expectation that the 2018 Energy Storage RFO would "receive at least the volume and diversity of offers...as it received in response to its other RFOs," it may be prudent to proceed with a solicitation to discover what the energy storage market has to offer to meet residual needs.

³ Proposed Decision, p. 25.

IV. THE PROPOSED DECISION SHOULD CORRECT THE MW COUNT FOR THE AES FALLBROOK ESS PROJECT.

CESA believes that the Proposed Decision incorrectly lists the Fallbrook Battery Energy Storage System as an 8.85 MW capacity project for SDG&E.⁴ However, it appears that SDG&E has counted this same project as a utility-owned, 40-MW, 160 MWh project that is in progress.⁵ Thus the total transmission domain ‘count’ for SDG&E should be 110 MW. This error does not appear to materially change the Proposed Decision’s determinations on SDG&E’s AB 2514 plans.

V. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Proposed Decision and supports the approval of each of the IOUs’ AB 2514 plans. CESA recommends that the Commission open a successor Energy Storage Rulemaking to address energy storage diversity, among other potential policy issues, and to provide PG&E with the flexibility to move forward with a 2018 Energy Storage RFO regardless of the outcome of the Draft Resolution E-4949 projects. CESA looks forward to working with the Commission and parties going forward on these matters in a future proceeding.

Respectfully submitted,



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⁴ *Ibid*, p. 10.

⁵ SDG&E opening brief at pp. 5-6.