

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

Joint Application of Southern California Edison Company (U338E), Pacific Gas & Electric Company (C39E) and San Diego Gas & Electric Company (U902E) for Approval of The Research Administration Plan for the Electric Program Investment Charge.

Application 19-04-026  
(Filed April 23, 2019)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE TO THE  
ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

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August 30, 2019

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits these comments to the *Assigned Commissioner’s Scoping Memo and Ruling* (“Scoping Memo”), filed by Assigned Commissioner Martha Guzman Aceves on August 9, 2019.

**I. INTRODUCTION.**

CESA appreciates the opportunity to provide comments on the Scoping Memo issued on the matter of the Joint Application filed by Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), and San Diego Gas and Electric Company (“SDG&E”) to comply with the requirements established for the Research Administration Plan (“RAP”) of the Electric Program Investment Charge (“EPIC”) Program. CESA recognizes the efforts of the program administrators and the Commission in guiding EPIC to support technological innovation in the energy sector, provide economic and societal benefits to ratepayers, and advance California’s energy and environmental policy goals.

As a non-profit advocacy group representing over 80 companies in the energy storage ecosystem, CESA welcomes SCE's stated interest in demonstrating the value that non-lithium-ion energy storage technologies may provide for ratepayers. CESA believes that SCE's proposed Beyond Lithium-Ion Energy Storage Demonstration Initiative aligns with EPIC's guiding principles and core values while contributing to the program's complementary principles set by the Commission in Decisions ("D.") 12-05-037 and D.18-10-052.

Our members represent a wide range of energy storage technologies beyond lithium-ion batteries, including compressed air energy storage ("CAES"), liquid air energy storage ("LAES"), electrochemical energy storage (e.g., flow and zinc-air batteries), thermal energy storage, flywheels, gravitational storage, and electrolytic hydrogen storage, among others. Thus, CESA welcomes the Beyond Lithium-Ion Energy Storage Demonstration proposed by SCE while recommending that both EPIC program administrators and the Commission further efforts that can result in the commercial procurement of proven technologies in order to broaden the technological "toolkit" available to stakeholders, increase diversity and competitiveness in the energy storage market, and deliver reliable and cost-effective services for California's ratepayers for wide-ranging needs.

## **II. RESPONSES TO SCOPING QUESTIONS.**

In this section CESA offers answers to select questions posed by the Commission in the Scoping Memo focused on SCE's replacement project – *i.e.*, the Beyond Lithium-Ion Energy Storage Demonstration Initiative.

**Question 2: Does the Joint Application comply with all applicable requirements found in Commission Decision D.18-10-052 and other applicable Commission Decisions?**

In D.18-10-052, the Commission established the guidelines that the investor-owned utilities (“IOUs”) must follow when presenting their RAP. The decision highlighted that the RAP must address the recommendations made by Evergreen, provide response to the evaluation, and include immediate actions taken to comply with said recommendations. Moreover, each RAP must contain detailed plans on tracking and reporting benefits, as well as detailed justifications for any modifications, withdrawals, or replacements of proposed projects.<sup>1</sup> CESA believes the Joint Application submitted by the IOUs fulfills these requirements by providing responses in an individual and collective manner for Evergreen’s recommendations, as well as including descriptions for replacement projects and scoring templates to better evaluate projects.

**Question 3: Do the replacement projects proposed by SCE meet the applicable requirements found in D.18-10-052 and other application Commission Decisions?**

In the Joint Application, SCE detailed two replacement projects, but CESA focuses our response on the Beyond Lithium-Ion Energy Storage Demonstration, which was proposed to replace the second phase of SCE's Beyond the Meter project.<sup>2</sup> CESA believes the Beyond Lithium-Ion Energy Storage Demonstration project is timely and will provide benefits to SCE’s ratepayers while exploring and or advancing the development and procurement of storage technologies in addition to lithium-ion batteries that currently constitute the majority of very recent storage deployments.

To examine whether the proposed replacement project fulfills the applicable requirements, the Commission must determine if said project meets the guiding principles and core values of the EPIC program. In D.12-05-037 the Commission mandated that the primary guiding principles for

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<sup>1</sup> D.10-10-052 at pp. 39-40.

<sup>2</sup> Joint Application at p. 34.

reviewing projects must be greater reliability for ratepayers, lower costs, and increased safety.<sup>3</sup> In addition to these primary guiding principles, D.18-10-052 also enumerated complementary guiding principles such as societal benefits, mitigation of greenhouse gas (“GHG”) emissions, and economic development.<sup>4</sup> In D.18-10-052, the Commission established that the EPIC program is guided by three core values: provide benefits to ratepayers of IOUs, advance energy innovation, and support California's energy policy goals.<sup>5</sup>

In light of these applicable requirements, SCE argued that this replacement project would enable California to achieve its ambitious long-term energy policy goals by ensuring new energy storage technologies would compete with traditional storage technologies in the near future.<sup>6</sup> SCE also mentioned that ensuring the diversification of energy storage resources will provide greater reliability, lower costs, and increased safety for ratepayers. Given the State's decarbonization goals set forth by Senate Bill (“SB”) 100 and the current trends regarding the integration of variable renewable generators, CESA agrees with SCE’s justifications. Ensuring diversity in the energy storage sector will drive competitiveness and lower market prices for both mature and emerging technologies. Furthermore, non-lithium-ion storage technologies, particularly those with long durations, can provide many benefits and address issues that have not been the main target of storage deployments to date, including contingency-driven capacity applications (*e.g.*, more than 8 hours) for locationally-constrained areas and disadvantaged communities (“DACs”) where fossil-fueled resources are sometimes disproportionately located. Thus, an inquiry into the potential applications of storage technologies in addition to lithium-ion has the potential to drive

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<sup>3</sup> D.18-10-052 at p. 5.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid* at p. 13.

<sup>6</sup> Joint Application at p. 35.

innovation that can lower costs, increase reliability and safety, and reduce in GHG emissions in order to be able to achieve California's long-term energy policy targets. A deep understanding of the wide array of energy storage technologies and their best-fit applications will benefit the IOUs, Commission, and many other stakeholders.

In sum, CESA believes that SCE's proposed Beyond Lithium-Ion Energy Storage Demonstration satisfies the guiding principles and core values of the EPIC program. Not only does CESA welcome this project and support its goal, we also believe programs and policies are needed to create opportunities for deploying proven but not yet commercially scaled or understood storage technologies. This additional step to expand the technologies available in the energy storage toolkit will allow demonstrated non-lithium-ion storage technologies to advance beyond pilot and demonstration programs and realize broader commercial adoption that has significant potential to lower costs and increase reliability for all ratepayers and to realize the state's clean-energy vision.

### **III. CONCLUSION.**

CESA appreciates the opportunity to submit these comments to the Scoping Memo and looks forward to collaborating with the Commission and the IOUs in this proceeding.

Respectfully submitted,



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