BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Continue Electric Integrated Resource
Planning and Related Procurement Processes

Rulemaking 20-05-003
(Filed May 7, 2020)

LONG DURATION ENERGY STORAGE ASSOCIATION OF CALIFORNIA REPLY
COMMENTS ON ORDER INSTUTING RULEMAKING TO CONTINUE ELECTRIC
INTEGRATED RESOURCE PLANNING AND RELATED PROCUREMENT PROCESSES

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In accordance with the Administrative Law Judge’s *Ruling Scheduling Prehearing Conference and Seeking Comments on Proposed Proceeding Schedule*, dated June 15, 2020, in the above referenced docket, the Long Duration Energy Storage Association of California (LDESAC) provides the following reply comments in response to the California Public Utilities Commission’s draft Order Instituting Rulemaking (OIR) to Continue Electric Integrated Resource Planning and Related Procurement Processes, date May 14, 2020.

LDESAC appreciates the opportunity to respond to the comments. As the Commission determined in D.20-02-028, substantial new long duration energy storage capacity by 2026 is critical to the state’s ability to cost-effectively reduce greenhouse gas (GHG) emissions, efficiently utilize its abundant renewable resources, and reliably operate the grid.¹

LDESAC represents a diverse mix of long duration energy storage technologies and projects. Our membership includes Blattner Energy, Cupertino Electric, GE Renewables North America,

¹ *Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements*, R.16-02-007 (March 26, 2020).
Highview Power, McMillen Jacobs Associates, NantEnergy, NextEra Energy Resources, NEXTracker and Stantec. We work to advance the development of long duration energy storage technologies to ensure reliability of the electric grid while providing health and economic benefits to all Californians, helping ensure a more just and equitable transition to a carbon free future.

As we noted in our June 15 filing, LDESAC commends the OIR for acknowledging the need to expeditiously address the complexities associated with developing new long duration energy storage technologies. In order for projects to be online by 2026 as called for by the Commission, it must meet its commitment to issue a proposed decision in the spring of 2021 that encompasses long duration energy storage as a near-medium-term procurement need.

In the OIR, the Commission requests comments on the appropriateness of the proposed scope of the new proceeding as well as the sequencing and timing of activities to be addressed. The June 15 comments filed by LDESAC addressed: timeline; equal playing field; resource value; resource adequacy and sufficiency; planning target; modeling; and cost-effectiveness.

LDESAC provides the following responses to comments provided by other parties:

- LDESAC strongly concurs with parties, such as the California Energy Storage Alliance (CESA), California Community Choice Association (CalCCA), Brookfield Renewable Trading and Marketing (BRTM), and Golden State Clean Energy who urge the Commission to focus on long-duration storage issues in a dedicated sub-track and differentiate the procurement barriers faced by many of these technologies in order to ensure these resources types can be operational by 2026 and 2030 when needed. Specifically, LDESAC concurs with BRTM that the Commission should pursue a procurement track schedule that assesses and analyzes the issues surrounding large scale and long lead-time projects through summer 2020 and an administrative law judge’s ruling by late fall 2020 to allow for issuance of a procurement directive following shortly thereafter in the first quarter of 2021.
• A corollary to the above and a necessary element for such procurement to be successful, LDESAC agrees with the California ISO that the transmission planning process requires an actionable plan immediately if the Commission wishes to consider transmission-dependent resource buildouts, including transmission necessary to interconnect or integrate new resources (e.g., battery and pumped storage resources identified in the recently approved Reference System Plan) that may take several years to be completed. Enhanced coordination between transmission plan and procurement is needed to reduce our reliance on nature gas plants, especially in local capacity areas in which transmission upgrades may constitute an alternative to local generation.

• Similarly, LDESAC agrees with CESA, California Environmental Justice Alliance (CEJA), Sierra Club, Natural Resources Defense Council (NRDC), Union of Concerned Scientists (UCS) and Utility Reform Network (TURN) who urge that this proceeding focus on targeted procurement and planning to phase out reliance on natural gas facilities, with a particular emphasis on reducing air pollution in the most disadvantaged communities in the state. In this regard, LDESAC agrees with CESA that the Commission should revise the mapping guidelines for energy storage resources in order to consider social and environmental outcomes.

• The California ISO and CESA identified the need for the Commission to specifically authorize sufficient procurement to timely replace the Diablo Canyon Power Plant. LDESAC supports this and suggests a scenario where long duration energy storage replaces 500-1000 megawatts of capacity as well as hybrid scenarios considering a mix of solar/wind/long duration energy storage and or distributed energy resources/long duration energy storage.

• LDESAC agrees with CESA, CEJA, Sierra Club, NRDC, UCS and TURN who urge that this proceeding focus on targeted procurement and planning to phase out reliance on natural gas facilities, with a particular emphasis on reducing air pollution in the most disadvantaged communities in the state. In this regard, LDESAC agrees with CESA that
the Commission should revise the mapping guidelines for energy storage resources in order to specially include social and environmental outcomes.

- LDESAC strongly supports those comments recognizing the value of resource diversity. As San Diego Gas & Electric (SDG&E) notes with respect to the second guiding principle relating to ensuring reliability: “[t]he Commission should also continue to prioritize resource diversification by supporting the development of long duration energy storage and other potential viable options.” SoCalGas also mentioned the need to evaluate procurement issues associated with long duration storage resources across a diverse set of technology platforms. LDESAC, along with SDG&E, SoCalGas, and the California Hydrogen Business Council (CHBC) encourages the Commission to include consideration of hydrogen as a resource for long duration storage and for electricity generation.

- LDESAC supports the view of CEJA, Sierra Club, NRDC and UCS recommend that the proceeding ensure Energy Division prioritizes ground-truthing GHG emissions projections, and that the Commission connects planning to procurement.

In support of the comments above, the Commission should follow-through on its commitment to examine a procurement framework that facilitates the ability of load-serving entities to aggregate procurement obligations. Long duration energy storage provides dynamic system benefits to many communities that are possible because of the fast, agile and highly controllable nature of new large-scale energy storage technologies.

Thank you for the opportunity to provide our reply comments and for your ongoing commitment to advancing new energy resources to support renewables integration and the state’s progress towards its climate and clean energy goals while creating new jobs and economic opportunity. We look forward to continuing to work together to advance the timely development of new long duration energy storage to build a cleaner and more reliable grid for all Californians.

Thank you for your consideration of these comments.