February 2, 2021

Hon. Marybel Batjer, President  California Public Utilities Commission
Hon. Genevieve Shiroma  505 Van Ness Avenue
Hon. Martha Guzman Aceves  San Francisco, CA 94102
Hon. Clifford Rechtschaffen

RE: Need for Urgent Action on Long Duration Energy Storage Procurement

Dear Commissioners,

Last August, hundreds of thousands of Californians throughout the state lost power in the first rolling blackouts in nearly 20 years. Amid the worst heat wave in decades, poor planning and an inadequate energy supply led to our power system failing Californians when they needed power most.

The California Public Utilities Commission (CPUC) is taking immediate steps to avoid such shortfalls in the near term, as it should. It’s vitally important that similar outages do not occur in 2021. But we must acknowledge this problem for what it is – a long-term planning issue, rather than a short-term electricity shortage. Patchwork fixes may get us through the next year, but meeting electricity needs reliably and affordably requires us to plan further into the future.

To ensure we are prepared to provide residents and businesses with reliable access to safe and clean power going forward, we must take action now. A key component of a reliable energy future is long duration energy storage – infrastructure which can take years to plan, permit, develop, and construct. Given the long lead times of these projects, it is imperative that the state act with urgency and expedite regulatory action to bring new long duration energy storage resources online as the state implements our ambitious greenhouse gas reduction targets.

Long duration storage complements shorter duration battery storage by providing large amounts of electricity to the grid for upwards of eight hours at a time. As we move toward an all-renewable energy grid, this long duration capability is essential to providing clean energy during peak and net hours of the day as the sun sets and during multi-day weather events like we saw last August. Modeling done by the CPUC since 2018 has consistently shown the need for between 1,000 to 4,000 megawatts of long duration storage between 2026 and 2030 to maintain reliability and stay on track for our emission reduction goals. We are in danger of exacerbating our grid problems because we haven’t started the procurement process for the new energy infrastructure required to transition away from fossil fuel generation to meet our greenhouse gas targets while maintaining critical grid needs. If we fail to act now, we are at risk of falling even further behind.
Alarminglly, the integrated resource plans filed by CPUC jurisdictional load serving entities in September do not include plans to procure long duration storage by 2026. This is the same year that California will lose nearly 10 percent of our in-state electricity generation when the Diablo Canyon Power Plant retires. In fact, the California Independent System Operator predicts a nearly 3,500 megawatt deficiency following the retirement of Diablo Canyon as well as four natural gas plants along the California coast.¹

We are encouraged to see the CPUC staff recommend a procurement framework for new long duration energy storage to make up for the shortfalls in the individual LSE plans. But we need aggressive and meaningful progress to procure long duration storage if we want to have the infrastructure in place when we need it mid-decade. We cannot spend more time on process and studies to act on an already identified and pressing need.

As members – respectively – of the Senate and Assembly Energy Committees, we are intimately familiar with the issue and are committed to creating a path forward. The CPUC has the authority to act without legislation and can move forward with rapid procurement of storage. We encourage you to use your existing authority to act with the required urgency.

We ask that the CPUC start a streamlined procurement process early this year akin to the December 28, 2020 Assigned Commissioner Ruling directing procurement in 2021 and 2022 to ensure long duration storage projects can be online by 2026. Meeting this deadline may seem ambitious, but it is necessary to remain on track to achieving our SB 100 greenhouse gas emission reduction goals while maintaining grid reliability.

Thank you for your ongoing efforts and commitment to California’s energy and climate goals. Please do not hesitate to contact us if you would like to discuss further.

Sincerely,

SUSAN TALAMANTES EGGMAN
Senator, 5TH District

BILL QUIRK
Assemblymember, 20TH District

WENDY CARRILLO
Assemblymember, 51ST District

CC: Elliot Mainzer, President and Chief Executive Officer, California ISO
David Hochschild, Chair, California Energy Commission
Ben Hueso, Chair, Senate Energy, Utilities and Communications Committee
Chris Holden, Chair, Assembly Utilities and Energy Committee