BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of the Results of its Second Preferred Resources Pilot Requests for Offers.

Application 16-11-002 (Filed November 4, 2016)

NOTICE OF EX PARTE COMMUNICATIONS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE

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In accordance with Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the California Energy Storage Alliance ("CESA") hereby gives notice of an *ex parte* meeting held on Thursday, March 15, 2018 at 1:30 pm at the Commission's office at 505 Van Ness Avenue in San Francisco, California. The meeting lasted approximately 40 minutes. Alex Morris, Senior Director of Policy & Regulatory Affairs of CESA, initiated the meeting with Ehren Seybert, Advisor to Commissioner Carla J. Peterman. Jin Noh, Policy Manager of CESA, was also present. The communications were oral and did not involve any written materials.

At the meeting, Mr. Morris raised concerns with the *Proposed Decision Denying Southern California Edison Company's Application for Approval of its Second Preferred Resources Pilot Request for Offers* ("Proposed Decision"). First, Mr. Morris discussed how the Proposed Decision might harm ratepayers via a potential 'chilling effect' on developer interests in California. By rejecting a number of good faith and competitively solicited energy storage and distributed energy resource ("DER") projects where significant private investment and time was made to understand how distributed energy storage resources could be leveraged to manage very localized projected load and DER growth, Mr. Morris explained that developers may have less interest or participation

in energy storage development needs in California or may require higher risk premiums on some California projects. Second, Mr. Morris discussed how the Commission should continue to view cost effectiveness under 'least-cost, best-fit' methodologies which can recognize and contextualize the array of benefits of projects, including the learning benefits of the Preferred Resources Pilot, support for policy goals, and support for Distributed Resource Plan ("DRP") demonstration goals. Mr. Morris further noted that costs of developing projects within Orange County may be high at times due to the constraints and property values of the area, but that development in these areas

may be important for electric system needs both now and in the future.

Respectfully submitted,

Alex J. Morris

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