

**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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April 12, 2018

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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 Wednesday, April 11, 2018 at 11:00 am at the Commission’s office at 505 Van Ness Avenue in San Francisco, California. The meeting lasted approximately 30 minutes. Jin Noh, Policy Manager of CESA, initiated the meeting with Yuliya Shmidt and Sandy Goldberg, Advisors to Commissioner Clifford Rechtschaffen, and was present at the meeting. Alex Morris, Senior Director of Policy & Regulatory Affairs of CESA, joined the meeting via telephone. 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 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 distributed energy

resource (“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. In subsequent competitive solicitations, Mr. Morris raised concerns that the bid prices of future energy storage projects may increase as a result to account for the added regulatory uncertainty and approval lag, as evidenced by the results of the Second Preferred Resources Pilot (“PRP”) Request for Offers (“RFO”).

Second, Mr. Morris discussed how the Proposed Decision may be underestimating some of the soft learning benefits of the contracted projects that not only support the learning goals of the Distributed Resource Plan (“DRP”) demonstration projects, but also how these resources can be positioned to support a heavily-congested area. The energy storage market is still relatively new for certain applications and the goal of the PRP is to experiment with energy storage applications to understand how they can be aggregated and operated to solve specific grid issues. Given the outcome of this pilot solicitation, Mr. Morris raised concerns that the Proposed Decision may cause both utilities and industry to shy away from experimental and innovative solutions.

Finally, Mr. Noh pointed out that the contracted resources have the potential to support other grid needs in the future, such as providing optionality for any needs that arise out of the Aliso Canyon situation and any needs identified in the Integrated Resource Plan (“IRP”) modeling and planning processes.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alex J. Morris".

Alex J. Morris  
Sr. Director, Policy & Regulatory Affairs

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