

April 1, 2019

CPUC Energy Division Tariff Unit
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Re: Response of the California Energy Storage Alliance to Advice Letter 3965-E of Southern California Edison Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”)¹ hereby submits this response to the above-referenced Advice Letter 3965-E of Southern California Edison Company (“SCE”), *Southern California Edison Company’s Updates to its 2019 Distribution Investment Deferral Framework Request for Offer Projects and Request to Remove Nogales and Newhall Projects from the 2019 Solicitation* (“Advice Letter”), submitted on March 11, 2019.

¹ 174 Power Global, 8minutenergy Renewables, Able Grid Energy Solutions, Advanced Microgrid Solutions, Aggreko, Alligant Scientific, LLC, AltaGas Services, Amber Kinetics, Ameresco, American Honda Motor Company, Inc., Avangrid Renewables, Axiom Exergy, Better Energies, Boston Energy Trading & Marketing, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Carbon Solutions Group, Clean Energy Associates, ConEd Battery Development, Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, EDF Renewable Energy, eMotorWerks, Inc., Enel X North America, Energport, Engie Storage, E.ON Climate & Renewables North America, esVolta, Fluence, Form Energy, General Electric Company, Greensmith Energy, Gridwiz Inc., Hecate Grid LLC, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Johnson Controls, Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Energy Solutions, LS Power Development, LLC, Magnum CAES, Mercedes-Benz Energy, NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., Nuvve, Pattern Energy, Pintail Power, Primus Power, Polyjoule, Quidnet Energy, Range Energy Storage Systems, Recurrent Energy, SNC-Lavalin, Southwest Generation, Sovereign Energy, Stem, STOREME, Inc., Sunrun, Swell Energy, Tenaska, Inc., Tesla, True North Venture Partners, Viridity Energy, VRB Energy, WattTime, and Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>).

I. BACKGROUND & INTRODUCTION.

In the Distribution Resources Plan (“DRP”) proceeding (R.14-08-013), each of the investor-owned utilities (“IOUs”) worked with the Distribution Planning Advisory Group (“DPAG”) to provide advisory input into their Grid Needs Assessment (“GNA”) and Distribution Deferral Opportunity Report (“DDOR”) as part of the Distribution Investment Deferral Framework (“DIDF”). As a member of the DPAG, CESA found the meetings to be helpful and provided important insights into distribution planning processes, including around forecasting methodologies and how planned investments are determined. While the time and resources required to participate in the DPAG were intensive and could be streamlined in future cycles, this look into the distribution planning process was very helpful for stakeholders representing market participants, such as CESA, to similarly provide insights into the capabilities of distributed energy resources (“DERs”) and to identify ‘best-fit’ opportunities for DERs to potentially cost-effectively defer a planned investment.

Though disappointed, CESA generally supports the approval of each of SCE’s updated Advice Letters as it complies with the requirements of Decision (“D.”) 18-02-004. In this response, CESA comments on the selected projects but also focuses on SCE’s 2017 Integrated Energy Policy Report (“IEPR”) analysis and how it caused SCE to reevaluate their candidate deferral projects and ultimately led them to drop Newhall and Nogales.

II. DISCUSSION.

A. CESA supports the advancement of the SCE’s proposed two Tier 1 projects for the 2019 DIDF RFO as well as the exclusion of Newhall and Nogales.

CESA supports SCE moving forward with an RFO for DERs for the distribution grid needs identified for the following projects: Sun City 115/12 Substation (23.71 MW) and Mira Loma 66/12 Substation (4.26 MW). For many of the same reasons that approved SCE’s Advice Letter 3904-E and Supplemental Advice Letter 3904-E-A through the Commission’s non-standard disposition letter on February 14, 2019, the two projects should be similarly allowed to move forward to the DIDF Request for Offers (“RFO”) process. Even as the unit cost of mitigation, capacity requirements, and energy requirements have changed,² the underlying reasons why the projects were selected for the 2019 DIDF RFO remain unchanged.

Furthermore, CESA supports the withdrawal of Nogales and Newhall projects given the forecast updates that reflect higher DER growth and lower starting points. While disappointing to see opportunities for distribution deferral be withdrawn, CESA understands that the underlying need has been eliminated with updated information.

² SCE Advice Letter, pp. 3-6.

B. The dynamic nature of distribution planning is unavoidable, but improvements to the DIDF process should strive to minimize these uncertainties.

At the same time, the ‘moving target’ nature of the magnitude and nature of some of the projects as well as the uncertainty of projects even moving toward a full solicitation raise some concerns for developers participating in the RFO and could deter some developers from participating due to the risk of ‘wasted efforts’. Dropping two projects may have caused developers to sink costs into an RFO need that need materialized and creates market uncertainty for DER developers who may be wary of submitting bids into an RFO that already has a very short window of time to respond (*i.e.*, 21 days).

The Administrative Law Judge recently issued a *Ruling Requesting Answers to Questions to Improve the Distribution Investment Deferral Framework Process* (“Ruling”) on February 25, 2019 to address DIDF process improvements, where stakeholders should develop ideas and recommendations on how the uncertainty created by needs revisions and eliminations can be minimized. This may involve better alignment of the IEPR update schedule with the DIDF Process to provide greater certainty of grid needs by the time that the IOU issues its DIDF RFO, among other areas of potential coordination and improvement. Although it is disappointing that the Newhall and Nogales projects were dropped from the solicitation, especially for developers that targeted these projects and made investments to quickly position themselves to compete in the RFO for these projects, CESA understands that the DIDF is a work in progress and further refinements are being discussed.

CESA thus recommends that lessons learned here should be considered in the 2019 DPAG process and that the Commission consider opening and reply comments that CESA has and will be submitting in response to the Ruling.

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III. CONCLUSION.

CESA appreciates the opportunity to submit this response to SCE's updated Advice Letter and hopes that our feedback will be taken into consideration. CESA looks forward to collaborating with the Commission and SCE to ensure a competitive solicitation for identified distribution grid needs.

Respectfully submitted,



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Service list R.14-08-013 and R.14-10-003