

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U 338-E) for Approval of the  
Results of Its 2018 Local Capacity  
Requirements Request for Proposals.

Application 19-04-016  
(Filed April 22, 2019)

**RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE  
ON SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) APPLICATION FOR  
APPROVAL OF THE RESULTS OF ITS 2018 LOCAL CAPACITY REQUIREMENTS  
REQUEST FOR PROPOSALS**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)<sup>1</sup> hereby submits this response on *Southern California Edison Company’s (U 338-E) Application for Approval of the Results of its 2018 Local Capacity Requirements Request for Proposals* (“Application”), filed by Southern California Edison Company (“SCE”) on April 22, 2019.

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<sup>1</sup> 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, Energy Vault, Engie Storage, E.ON Climate & Renewables North America, esVolta, Fluence, Form Energy, General Electric Company, Greensmith Energy, Gridwiz Inc., Hecate Grid LLC, Highview Power, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Energy Solutions, LS Power Development, LLC, Magnum CAES, NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., Nuvve, Pattern Energy, Pintail Power, Plus Power, Primus Power, PolyJoule, Quidnet Energy, Range Energy Storage Systems, Recurrent Energy, RES Americas, SNC-Lavalin, Soltage, Southwest Generation, 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. INTRODUCTION.

In its Application, SCE submitted 100 MW of in-front-of-the-meter (“IFOM”) energy storage contracts for approval to meet the local capacity requirement (“LCR”) need in the Moorpark sub-area, which, after accounting for the Decision (“D.”) 13-02-015 and the cancellation of the Puente gas-fired generation plant, had a remaining 278 MW need, including a 102-164 MW LCR deficiency in the Santa Clara sub-area. According to SCE, the remainder of the LCR need will be addressed through contracts that was submitted for approval through an Advice Letter filing on May 23, 2019 related to SCE’s Aliso Canyon Energy Storage (“ACES”) 2 Request for Offers (“RFO”), which was soliciting projects in the same locations.

CESA supports the Application and looks forward to participating in this proceeding to further understand how a portfolio of energy storage resources were procured to meet the Moorpark sub-area capacity and energy need. In particular, CESA views this procurement as representing an innovative alternative pathway to use a portfolio of energy-limited energy storage resources to provide sufficient-duration peaking capacity that obviates the need for gas-fired generation in line with the state’s clean energy and environmental goals. Furthermore, Resolution E-4937 authorized SCE to conduct an energy storage solicitation pursuant to Senate Bill (“SB”) 801 and to subsequently file a Tier 3 Advice Letter for resulting contracts for approval.<sup>2</sup> CESA thus supports SCE submitting the other executed energy storage contracts via an Advice Letter process (rather than via this Application), so long as SCE demonstrates how those energy storage solutions help address the Los Angeles Basin’s electrical system operational limitations resulting

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<sup>2</sup> Resolution E-4937. *Authorizing Southern California Edison’s plan to conduct a solicitation for energy storage to comply with SB 801 (Stern)*, issued on August 10, 2018, Finding 12 and Order 4. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M221/K689/221689899.PDF>

from reduced gas deliverability from the Aliso Canyon natural gas storage facility.<sup>3</sup> CESA is in the process of assessing the Advice Letter filing that was submitted on May 23, 2019

**II. SCE’S PORTFOLIO AND PROCUREMENT APPROACH TO MEETING THE MOORPARK LOCAL CAPACITY REQUIREMENT NEED APPEARS TO BE REASONABLE.**

CESA finds it reasonable and innovative for SCE to work with the California Independent System Operator (“CAISO”) to develop hourly load forecasts and to build a portfolio of energy storage resources with minimum hourly dispatch bids and certain charging constraints that addresses the capacity and energy requirements of the Moorpark sub-area, so long as risk factors and potential forecast inaccuracies are reasonably addressed.<sup>4</sup> While the CAISO expressed some concern about short-term load shape uncertainties and some level of imprecision of expected hourly dispatch for the four scenarios submitted by SCE for CAISO study,<sup>5</sup> SCE appears to have selected the portfolio that provides sufficient buffer to mitigate risks related to project deployment, forecast uncertainty, and deviations for expected dispatch.<sup>6</sup> Based on the information presented in the Application, the selected portfolio appears to be able to address the calculated LCR need in the Moorpark sub-area. CESA thus looks forward to reviewing SCE’s ACES 2 RFO Advice Letter filing, which should inform the Commission’s review of the reasonableness of the contract in this Application.

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<sup>3</sup> *Ibid*, Finding 4.

<sup>4</sup> *Testimony of Southern California Edison Company (U 338-E) in Support of Its Application for Approval of the Results of Its 2018 Local Capacity Requirements Request for Proposals (LCR RFP)* (“Prepared Testimony”) filed on April 22, 2019 at pp. 29-30 and 43.

<sup>5</sup> *Ibid*, Appendix F, pp. 156-157.

<sup>6</sup> *Ibid*, at p. 50 and Appendix F p. 157.

**III. THE SUBMISSION OF ENERGY STORAGE CONTRACTS FOR APPROVAL THROUGH THE ADVICE LETTER PROCESS IS REASONABLE IF THEY COMPLY WITH RESOLUTION E-4937.**

In Resolution E-4937, the Commission found it reasonable for SCE to target locations that would “yield simultaneous benefits to electric reliability as well as reducing natural gas demand” as part of the ACES 2 RFO solicitation authorized under SB 801.<sup>7</sup> So long as the other resulting energy storage contracts that address the Moorpark LCR need are also demonstrated to address Aliso Canyon related constraints, CESA believes that these contracts should be allowed to be submitted through the Advice Letter process, as authorized by Resolution E-4937, even as details and information from the Advice Letter filing may inform review of this Application. In fact, it would contravene Resolution E-4937 if projects that explicitly meet its goals and provisions are excluded from using this CPUC authorized review and approval path. Given the urgency of deploying energy storage projects to address the LCR and Aliso Canyon related issues, following the Advice Letter process is prudent.

In general, CESA recommends that the Commission consider establishing a streamlined approval process for energy storage contracts. Solicitation evaluation methodologies and contracts have become increasingly familiar and standardized for energy storage resources, making this a good time for the Commission to consider how more streamlined Commission approval processes could be established. With upfront Commission approval of solicitation structures, the Commission could pursue Advice Letter approval processes similar to what has been established for the ACES 2 RFO. CESA believes that streamlined approval processes for energy storage contracts will lead to lower development/resource costs and more timely deployment of energy

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<sup>7</sup> Resolution E-4937, pp. 5-6 and Finding 4.

storage resources that can address the state's reliability issues and support the state's clean energy and environmental goals.

**IV. CONCLUSION.**

CESA appreciates the opportunity to submit this response to SCE's Application. CESA looks forward to working with the Commission, SCE, and other stakeholders in this proceeding.

Respectfully submitted,



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Date: May 24, 2019