

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

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-
Generation Incentive Program and Other
Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
TO THE MOTION OF THE PUBLIC ADVOCATES OFFICE TO REVISE THE
CATEGORIZATION OF THE PROCEEDING FROM QUASI-LEGISLATIVE TO
RAESSETTING**

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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”)¹ hereby submits this response to the *Motion of the Public Advocates Office to Revise the Categorization of the Proceeding from Quasi-Legislative to Ratesetting* (“Motion”), submitted by the Public Advocates Office (“PAO”) on May 15, 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, 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, Malta Inc, 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.

CESA respectfully recommends that the Commission deny PAO's Motion that alleges that linkages to other ratesetting proceedings warrant the recategorization of the Self-Generation Incentive Program ("SGIP") proceeding, Rulemaking ("R.") 12-11-005, from quasi-legislative to ratesetting. SGIP has been generally operating in its current form for ten or more years as a quasi-legislative proceeding, and this categorization has allowed for extensive discussions, debates, comments, reply comments, and other record-building opportunities. The Commission has thus already appropriately determined that the proceeding should remain quasi-legislative as no parties raised objections, and the scope and issues of this proceeding have not changed to the degree that they warrant re-categorization.²

II. RESPONSE.

CESA respectfully believes the proceeding structure and process for SGIP is sufficiently clear, including through the use of comments, reply comments, workshops, working groups, and other procedural elements. As CESA understands it, the PAO Motion does not cite any inadequacy in the record building and process of SGIP, as it has been managed for the past ten or more years. Instead, PAO cites that a ratesetting proceeding, the San Joaquin Valley ("SJV") proceeding, R.15-03-010, that established a set-aside within the SGIP Equity Budget to fund pilot projects, is linked to issues within this proceeding. While CESA supports transparent review, a re-categorization of SGIP may limit participation from stakeholders, many of whom may be smaller behind-the-meter ("BTM") companies that are not suited to the more process-heavy ratesetting proceedings. As CESA understands it, PAO has been an active party in SGIP proceedings for many years.

² *Assigned Commissioner's Second Amended Scoping Memo* filed on June 9, 2017 in R.12-11-005 at p. 9.

Additionally, while CESA again supports proper categorization of proceedings and appropriate transparency, the Commission has not re-categorized this proceeding in the past, including upon new funding authorizations to the program.³ CESA also notes that Decision (“D.”) 18-12-015, in determining how best to support the SJV pilots, identified that leveraging SGIP to support pilots represents a smart and effective means to fund these pilots without incremental new funding being requested. It appears that this use of already authorized funds more easily supports the “reasonableness of rates or charges” enacted under R.15-03-010, pursuant to Rule 1.3(f), without requiring reclassification of SGIP, as R.12-11-005 has been consistently categorized as quasi-legislative

Furthermore, the linkage between R.15-03-010 and R.12-11-005, through a pilot, seems to be temporary. The SJV pilot authorization directs a single SGIP program modification to fund 829 residential systems and 18 community service storage systems in SJV pilots leveraging SGIP funds, and the Commission concluded that the approved projects are not deemed precedential⁴ and would not represent a sustained or significant impact to rates. As pilots for SJV, CESA believes it is unnecessary to recategorize SGIP in order to assess the reasonableness of rates directed through SJV wherein SGIP collections were already established.

Finally, as CESA understands it, PAO has not presented any issues that require evidentiary hearings or deeper investigations to the reasonableness of rate impacts that cannot be resolved via workshops and comments. For a number of issues presented before the Commission in this proceeding, including around the SJV pilots and potential for resiliency applications, timely

³ Before additional funding as authorized under Assembly Bill (“AB”) 1637 was approved under D.17-04-017, the Commission did not re-categorize the proceeding to ratesetting. So even if the SJV pilot set-aside comes from the new Senate Bill (“SB”) 700 funding authorization, the Commission does not need to re-categorize this proceeding on the basis of SGIP collecting additional funds.

⁴ Conclusion of Law 3 in *Decision Approving San Joaquin Valley Disadvantaged Communities Pilot Projects*, D.18-12-015, issued on December 19, 2018 in R.15-03-010.

resolution is needed. On this basis, the Commission has discretion under Rule 7.1(e)(3) to categorize a proceeding as quasi-legislative if a proceeding does not clearly fit into either categorization.

III. CONCLUSION.

CESA appreciates the opportunity to submit this response to the Motion and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,



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