

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

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013 (Filed August 14, 2014)
And Related Matters.	Application 15-07-002 Application 15-07-003 Application 15-07-006
(NOT CONSOLIDATED)	
In the Matter of the Application of PacifiCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005
And Related Matters.	Application 15-07-007 Application 15-07-008

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE ADMINISTRATIVE LAW JUDGE’S AMENDED RULING REQUESTING
COMMENTS ON THE ENERGY DIVISION WHITE PAPER ON AVOIDED
COSTS AND LOCATIONAL GRANULARITY OF TRANSMISSION AND
DISTRIBUTION DEFERRAL VALUES**

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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”) hereby submits these reply comments on the *Administrative Law Judge’s Amended Ruling Requesting Comments on the Energy Division White Paper on Avoided Costs and Locational Granularity of Transmission and Distribution Deferral Values* (“Ruling”), filed by Administrative Law Judge (“ALJ”) Robert M. Mason on June 5, 2019.

I. INTRODUCTION.

Distributed energy resources (“DERs”) have the potential to avoid and/or defer costs of transmission and distribution (“T&D”) infrastructure and such locational benefits should be accounted in the Avoided Cost Calculator (“ACC”) that serve an important role in assessing the value and cost-effectiveness of various DER programs. CESA thus appreciates the Commission’s preliminary analysis and the proposed framework as laid out in the *Energy Division Staff Proposal on Avoided Cost and Locational Granularity of Transmission and Distribution Deferral Values* (“White Paper”). In these comments, CESA offers our views and recommendations for how the avoided transmission and deferral cost analysis should account for the role of energy storage. CESA does not currently have responses to the questions posed in the Ruling at this time but is looking forward to continued participation in the upcoming workshop and in further development of the white paper. As we continue to assess the White Paper, CESA may offer additional comments at a later time.

II. THE GROWING DEPLOYMENT OF SOLAR-PLUS-STORAGE RESOURCES SHOULD BE REFLECTED IN THE COUNTERFACTUAL ANALYSIS.

The White Paper utilizes and calculates a counterfactual forecast to estimate the capacity of distribution upgrades deferred by DERs focused on non-targeted DER growth in the form of energy efficiency, demand response, solar, and energy storage. Additionally, the White Paper updated working definitions for non-targeted DER growth to refer to an increase in DERs over time that results from Commission ordered policies, programs, or tariffs that are not locationally targeted to defer T&D upgrades.¹ Energy storage is appropriately reflected as one of these DERs included in the counterfactual analysis, but CESA recommends that the Commission staff also

¹ White Paper at pp. 2 and 12-13.

consider how energy storage resources are increasingly deployed as paired, co-located resources with BTM solar resources, driven by the motivation to mitigate time-of-use (“TOU”) rates where peak period have been or in the process of being updated to the evening (e.g., 4-9pm, 5-8pm). These trends have been borne out in data from the investor-owned utility (“IOU”) distribution forecasting process as well as data from the Self-Generation Incentive Program (“SGIP”), which is an example of a non-targeted DER program, as defined by staff. For example, at the Distribution Forecast Working Group meeting on May 1, 2019, Southern California Edison Company (“SCE”) highlighted that 95% of new residential PV is now paired with new energy storage while Pacific Gas and Electric Company (“PG&E”) observed that, in 2018, significant majorities of new PV was paired with storage across all customers classes – e.g., 100% of new PV for agricultural customers, 96% for residential customers, 76% for industrial customers, and 73% for commercial customers.² Similar trends are evident in assessing SGIP data.³ Granted, not all storage will be deployed in conjunction with solar, but the forecasts should reflect that a significant portion of these resources are paired and operated to provide peak capacity in line with new TOU rates.

CESA seeks to further understand the counterfactual analysis and methodology, but it is important to ensure that this analysis reflect how forecasted deployments of PV and storage reflect the operation of these resources together in many cases in determining the avoided cost values, if the current methodology is not doing so already. CESA is uncertain on whether the Grid Needs Assessment (“GNA”) reports, which feed into this counterfactual analysis, reflect these paired resource deployments and net load impacts as opposed to forecasting PV and storage separately.

² *Distribution Forecasting Working Group (DFWG) Annual Joint IOU Meeting* presentation on May 1, 2019 at pp. 13 and 15.

³ See CESA’s analysis of SGIP data in Appendix A of *Comments of the California Energy Storage Alliance to the Assigned Commissioner’s Ruling Seeking Comment on Implementation of SB 700 and Other Program Modifications* filed on May 30, 2019 in R.12-11-005.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M299/K659/299659232.PDF>

CESA raises this point because the White Paper highlighted how half the DER forecast is PV and only a small portion of PV generation occurs during system peak, leading to the conclusion that a significant portion of DER capacity will not reduce the peak load on the feeder. Based on recent data showing increased levels of solar-paired-storage deployments, however, CESA finds such conclusions to not match our expectations when forecasting peak load impact on a feeder.

III. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Ruling and the attached White Paper and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,



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