BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application Of Southern California Edison Company (U 338 E), Pacific Gas And Electric Company (U 39-E), And San Diego Gas & Electric Company (U 902-E) For Approval Of The Research Administration Plan For The Electric Program Investment Charge.

Application 19-04-026 (Filed April 23, 2019)

PREHEARING CONFERENCE STATEMENT OF THE CALIFORNIA ENERGY STORAGE ALLIANCE

Alex J. Morris Vice President, Policy & Operations

Jin Noh Policy Manager

CALIFORNIA ENERGY STORAGE ALLIANCE 2150 Allston Way, Suite 400 Berkeley, California 94704

Telephone: (510) 665-7811 x110 Email: <u>amorris@storagealliance.org</u>

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") and the *Administrative Law Judge's Ruling Requiring Prehearing Conference Statements* ("Ruling") issued by Administrative Law Judge ("ALJ") Jason Jungreis on July 1, 2019, the California Energy Storage Alliance ("CESA")¹ hereby submits this prehearing conference statement.

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, PXiSE 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.

This proceeding should assess whether the proposed replacement projects align with the core values and goals of the Electric Program Investment Charge ("EPIC") Program to provide benefits to ratepayer of the electric investor-owned utilities ("IOUs"), advance energy innovation, and support California's energy policy goals. In assessing the reasonableness of the proposed replacement projects, the Commission should also determine whether the proposed replacement projects are duplicative of other programs or projects and whether the implementation of the replacement projects will follow the guidance provided in Decision ("D.") 18-10-052. Specifically, CESA narrowly seeks to expeditiously review the reasonableness of the new initiative proposed by Southern California Edison Company ("SCE") included in the Joint Research Administration Plan ("RAP") Application. The new project, *Beyond Lithium-Ion Energy Storage Demonstration*, is proposed as replacing an existing project that has not generated sufficient learnings. CESA does not have a response at this time on the other potential scoping items as suggested by the questions posed in the Ruling (i.e., Questions 1-9).

However, CESA has some concerns with Question 10 from the Ruling, which may expand the scope of this proceeding to a broader assessment of the EPIC Program. CESA recommends against this in the scope of this proceeding and instead recommends that one of the priority scoping items be in addressing the following question: "Are the utilities' proposed replacement EPIC projects reasonable and should they be approved?"

II. RESPONSES TO QUESTIONS FROM ALJ RULING.

Question 1: What are the compliance requirements under the Commission's Rules of Practice and Procedure for this Joint RAP Application?

CESA has no comment at this time.

Question 2: What are the compliance requirements under Decision (D.) 18-10-052 Section 3.3.2 for this Joint RAP Application?

CESA has no comment at this time.

Question 3: In addition to those requirements identified pursuant to No. 2, are there additional compliance requirements found under other provisions of D.18-10-052 for this Joint RAP Application?

CESA has no comment at this time.

Question 4: In addition to those requirements identified pursuant to No. 2 and No. 3, are there additional compliance requirements found under other provisions of all applicable EPIC Decisions for this Joint RAP Application?

CESA has no comment at this time.

Question 5: What is required of the Joint Applicants for them to obtain the Commission's approval of their Joint RAP Application?

CESA has no comment at this time.

Question 6: What is the current financial accounting for each IOU's EPIC monies?

CESA has no comment at this time.

Question 7: Is this proceeding likely to be effected by the Policy and Innovation Coordination Group?

CESA has no comment at this time.

Question 8: Is EPIC likely to be effected by the A.16-09-001 Application for Rehearing?

CESA has no comment at this time.

Question 9: What nexus exists between the Joint RAP Application and issues of safety?

CESA has no comment at this time.

Question 10: Should EPIC be renewed?

CESA does not believe the issue of whether to renew EPIC is reasonable to address in this narrow application focused on Research Administration Plan processes and program administrations, pursuant to D.18-10-052, as well as on the reasonableness of modifications to its EPIC Investment Plans to redirect EPIC funds to projects that have the potential to generate significant learnings that support the achievement of the state's clean energy goals. Many other stakeholders likely need to be noticed of policy considerations on whether to renew the EPIC Program, as the only likely parties to this proceeding at this time appear to be the investor-owned utilities ("IOUs"), Public Advocates Office ("PAO"), and CESA. A broader policy proceeding may be better positioned to address such questions, given that the EPIC Program has broad impacts across the electricity sector. The Commission could open a new rulemaking to consider the design and scope of the EPIC Program beyond 2020.

CESA thus recommends that the question of whether to renew the EPIC Program not be included in the scope of this Application. Rather, CESA recommends that the Commission focus on the other questions posed in this Ruling around compliance with D.18-10-052 directives and the reasonableness of the applicants' proposed replacement projects and program modifications on an expedited basis.

III. <u>CONCLUSION</u>.

CESA appreciates the opportunity to submit this prehearing conference statement and looks forward to collaborating with stakeholders in this proceeding.

Respectfully submitted,

Alex J. Morris

Vice President, Policy & Operations

CALIFORNIA ENERGY STORAGE ALLIANCE

July 9, 2019