

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

Order Instituting Rulemaking to Develop an
Electricity Integrated Resource Planning
Framework and to Coordinate and Refine
Long-Term Procurement Planning
Requirements.

Rulemaking 16-02-007
(Filed February 11, 2016)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
TO THE ASSIGNED COMMISSIONER AND ADMINISTRATIVE
LAW JUDGE'S RULING INITIATING PROCUREMENT TRACK AND SEEKING
COMMENT ON POTENTIAL RELIABILITY ISSUES**

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August 12, 2019

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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 *Assigned Commissioner and Administrative Law Judge’s Ruling Initiating Procurement Track and Seeking Comment on Potential Reliability Issues* (“Ruling”), issued by Assigned Commissioner Liane Randolph and Administrative Law Judge (“ALJ”) Julie A. Fitch on June 20, 2019. Pursuant to the *Administrative Law Judge’s Ruling Denying, in Part, and Granting, in Part, Motion of California Community Choice Association for Amended Ruling and Extension of Time* issued by ALJ Fitch on July 11, 2019 and the *Email Ruling Partially Granting CalCCA Request for Extension of Time to File Reply Comments* issued by ALJ Fitch on July 25, 2019, CESA timely files our reply comments herein on August 12, 2019.

I. INTRODUCTION.

The Integrated Resources Planning (“IRP”) proceeding, in coordination with the Resource Adequacy (“RA”) Program, is the appropriate venue to consider how and whether the state’s existing and future fleet of resources can support grid reliability and advance the state’s clean energy goals. While the RA proceeding is focused on short-term reliability, the IRP plays an

important role in guiding the Commission and load-serving entities (“LSEs”) to cost-effectively procure new resources that can bridge the gap between near-term reliability and preferred attributes that support the development of clean energy resources on a longer-term planning horizon. An exclusive and separate focus on RA or IRP procurement mechanisms will make it difficult to co-optimize for near-term needs and long-term policy goals.

As a result, CESA generally agrees with the recommendation of the Commission to direct procurement of 2,000 MW of resources that can address the near-term reliability needs faced by the state as early as 2021 – though greater clarification and flexibility may be needed to the procurement timeline, eligibility, process, and mechanisms. Importantly, the California Independent System Operator (“CAISO”) affirmed the Commission’s analysis and agreed with CESA’s recommended “all-hands-on-deck” approach to direct RA procurement for uncontracted and new resources, as well as already-procured resources come online on time. Southern California Edison Company (“SCE”) recommended similar action for the Commission. For both parties, urgent near-term action was recommended to initiate procurement for new and existing resources before the end of 2019, with the potential temporary extension of the once-through-cooling (“OTC”) generation facilities beyond their planned 2021 retirement as a backup plan in case there are capacity deficiencies.¹

CESA agrees. Sufficient analysis exists at this time to initiate procurement before year-end to avoid, if possible, a temporary OTC extension and support the near-term procurement of new and existing resources that align with the state’s policy goals. Generally, the Commission should coordinate the IRP and RA proceedings to optimize the trade-offs between reliability and

¹ CAISO’s comments at p. 2 and SCE’s comments at p. 3.

the state’s greenhouse gas (“GHG”) emission reduction goals. Our reply comments can be summarized as follows:

- Additional needs analysis can be helpful but there is sufficient evidence to direct procurement at this time.
- Directed procurement should allow for both new and existing resources to be eligible while targeting locational needs, advancing the state’s decarbonization goals, and adhering to competitive principles established by the Commission.
- Long lead-time projects and long-duration storage procurement require near-term actions to ensure long-term reliability needs are met.
- 2018 average hourly schedules for battery storage resources participating in the market will quickly become outdated, with battery storage increasingly providing RA-backed energy over the next few years.
- Distributed energy resources (“DERs”) can and should play a role in addressing capacity needs.

II. ADDITIONAL NEEDS ANALYSIS CAN BE HELPFUL BUT THERE IS SUFFICIENT EVIDENCE TO DIRECT PROCUREMENT AT THIS TIME.

Several parties commented on the lack of depth and analytical rigor of the staff’s analysis underlying the recommendation for 2,000 MW of directed new procurement, including around the assumptions for import resources and understanding of timing and location of the need.² While more analysis could be conducted and may be helpful to better refine procurement needs, CESA finds the analysis conducted by the CAISO and SCE, using conventional planning practices and reasonable assumptions, compelling and corroborating the Commission staff’s conclusion on the need for 2,000 MW by 2021. They supplemented the Commission staff’s analysis with their own

² Middle River Power’s (“MRP”) comments at pp. 2-3 and 6; California Large Energy Consumers Association’s (“CLECA”) comments at p. 8; The Utility Reform Network’s (“TURN”) comments at p. 1; Alliance for Retail Energy Markets’ (“AREM”) comments at p. 2; City and County of San Francisco’s (“CCSF”) comments at pp. 2-3; California Community Choice Association’s (“CalCCA”) comments at pp. 2, 9-10, 12-13, 15, and 23.

that identified a growing 2,500 MW need by 2022 (in the CAISO’s hourly analysis to ensure that there is sufficient energy from RA-backed resources)³ or a potentially higher 5,500 MW shortfall in 2021 (in SCE’s analysis).⁴ In both supplemental analyses, the additional retirement of the Inland Empire Energy Center was incorporated⁵ and historical levels of contracted import RA resources were counted,⁶ which CESA found to be the critical underlying assumptions on whether parties saw a near-term reliability need, or not.

To ensure reliability, CESA agrees with the CAISO’s and SCE’s assumptions in their analysis to assess System RA needs/deficiencies based on resources that are explicitly contracted for RA as reflected in historical import RA levels, not on uncontracted imports up to the maximum import capability (“MIC”). As some parties have highlighted, more imports could be relied upon as RA resources, even up to the MIC or beyond with new transmission, but they should be contracted for as RA resources, similar to in-state RA resources, to be *assured* that System RA deficiencies are addressed. Assumptions to simply include the full MIC as addressing System RA shortfalls until 2025-2026 may be risking grid reliability in the near term – an issue that the Department of Market Monitoring (“DMM”) has raised as concerns in this proceeding as well as in the RA proceeding.⁷ Thus, based on the CAISO’s and SCE’s supplemental analysis, there appears to be enough evidence at this time to direct near-term, no-regrets procurement to address potential System RA deficiencies.

³ CAISO’s comments at p. 3.

⁴ SCE’s comments at p. 5.

⁵ CAISO’s comments at p. 3 and SCE’s comments at p. 11.

⁶ CAISO’s comments at pp. 5-6 and SCE’s comments at pp. 15-16 and 25-26.

⁷ DMM’s comments at pp. 3-5 and 7-8.

The 2,000 MW procurement target by 2021 also appears to be prudent given the uncertainties around load growth from transportation electrification, distributed energy resource (“DER”) adoption, import constraints, weather sensitivities including hydro availability, planned outages, and economic gas retirements that both CAISO and SCE highlighted in their analysis.⁸ In particular, unplanned gas retirements appear to be a critical variable that could change the underlying reliability need. In their comments, SCE highlighted the potential for even higher System RA deficiencies in their assessment that assumed greater levels of gas retirements based on historical trends. Importantly, unplanned gas retirements can negatively impact not only needed System RA, but also lead to a deficiency in operational reserves and load-following requirements, if not offset. For example, in the 2017-2018 IRP cycle, the CAISO’s production cost modeling of the 2,800 MW of thermal generators modeled for age-based retirement in the Hybrid Conforming Portfolio actually led to 1,077 MW of thermal resources, or other resources with similar operational characteristics, needing to be added back to address operational reserve and load following needs.⁹ Additionally, assuming that retiring gas plants are a non-issue given the CAISO’s backstop authority¹⁰ conflicts with the Commission’s intent to reduce costly out-of-market procurement, which has been a key focus in the RA proceeding. While such a backstop procurement mechanism is in place to retain needed resources and address reliability issues, procurement through IRP and RA mechanisms represents a better path to fulfill the Commission’s intent while ensuring reliability. The 2,000 MW procurement recommended by Commission staff thus represents a reasonable near-term strategy to address near-term reliability needs and risks.

⁸ CAISO’s comments at p. 6 and SCE’s comments at pp. 17 and 28.

⁹ “Reliability Assessment of the IRP Hybrid Conforming Plan,” presented by Shucheng Liu (CAISO) at workshop on January 7, 2019 at p. 34.

¹⁰ CalCCA’s comments at pp. 16-17.

It is thus reasonable for the Commission to hedge against some of these uncertainties with near-term, no-regrets procurement at this time. At the same time, the risks of over-procurement should be addressed by expeditiously getting information from all load-serving entities (“LSEs”) on planned resource procurement over the 2019-2021 timeframe, even prior to the scheduled IRP plan submission date of March 2020, to provide the Commission with more complete information and to potentially reduce how much is needed to be procured – just as CalCCA did in informing the Commission and parties on 259 MW of effective capacity expected to come online prior to August 2021.¹¹

Importantly, the need for year-end procurement initiation is driven by the potential for the RA shortfall occurring earlier than August 1, 2021 as the Commission has estimated. Several parties raised important points around how the system peak has historically occurred at certain times earlier in June or July,¹² which raises the concern that the procurement timeline may not be aggressive enough and may not be feasible for much new resource procurement unless the Commission acts soon. In addition, several parties highlighted the RFO solicitation and regulatory approval process,¹³ which also underscores the need for immediate Commission action in this procurement track. In order to minimize the magnitude and duration of OTC extensions and address System RA needs in a timely manner before for 2021, CESA recommends a decision be issued in the IRP proceeding to authorize 2,000 MW of procurement, so that procurement can be initiated before the end of this year.

¹¹ CalCCA’s comments at p. 3.

¹² NRG’s comments at p. 12; CAISO’s comments at p. 10.

¹³ For example, see SCE’s comments at p. 7.

Meanwhile, after procurement has been authorized, directed, and initiated, CESA agrees with parties that further analysis could be conducted to refine an understanding of the mid-term timing, magnitude, location, and sensitivities of the reliability deficiencies, including around how much import RA resources could be relied upon,¹⁴ how renewable integration and decarbonization goals are better assured of being advanced and achieved,¹⁵ and how unplanned gas retirements could affect all of the above.¹⁶

III. DIRECTED PROCUREMENT SHOULD ALLOW FOR BOTH NEW AND EXISTING RESOURCES TO BE ELIGIBLE WHILE TARGETING LOCATIONAL NEEDS, ADVANCING THE STATE’S DECARBONIZATION GOALS, AND ADHERING TO COMPETITIVE PRINCIPLES ESTABLISHED BY THE COMMISSION.

As expressed in our opening comments, the definition of “new capacity” needs to be established to determine the resources that would be eligible for procurement to address the near-term reliability needs. CESA agrees with other parties that both new and existing resources should be eligible for procurement, but that SB 1136 requirements be followed to ensure that preferred resources that also advance the state’s decarbonization and disadvantaged community (“DAC”) goals are procured, wherever and as much as possible.¹⁷ All new and existing resources should be eligible for procurement and, as CESA highlighted in our opening comments, the Commission should consider between 50 MW to 100 MW of equivalent capacity to be set aside for procurement of short-duration energy storage for the specific purpose of hybridizing 2,000 MW to 4,000 MW of existing gas resources given the GHG and reliability benefits and cost-effectiveness of such a least-regrets procurement action. Similarly, there may also be cost-effective opportunities for

¹⁴ CalCCA’s comments at pp. 12-13 and 15.

¹⁵ CalCCA’s comments at pp. 9-10.

¹⁶ CalCCA’s comments at p. 18.

¹⁷ IEP’s comments at p. 3 and Calpine’s comments at pp. 1-2.

existing energy storage resources to enhance and increase its capacity to address the System RA need. Furthermore, even as uncontracted imports should not be counted towards the System RA needs analysis as mentioned above, import resources could also be contracted for RA to meet the procurement need. In sum, the Commission should clarify the definition of “new capacity” and consider adopting SCE’s recommendation to determine and list a baseline of resources and define eligible procurement as “incremental capacity” beyond the baseline.¹⁸ In doing so, LSEs and sellers will have greater clarity on what is eligible for procurement and create opportunities to potentially enhance existing resources via capacity additions and/or hybridization.

At the same time, as some parties have noted, procurement should not be divorced from planning and should consider both cost and environmental concerns, avoiding the need to retain carbon-emitting resources longer than necessary to maintain reliability.¹⁹ This procurement directive should provide the guidance as directed by SB 1136 and thus ensure reliability and, to the degree possible and reasonable, seek to advance the state’s planning goals, which will require a balance of retaining some existing resources in the short term (*e.g.*, minimizing OTC extensions) and procure new or enhanced resources with preferred attributes on an aggressive but doable procurement and deployment timeline that balances ratepayer interests. In balancing these different priorities, CESA agrees with parties that some of the new resource procurement should be phased over time from 2021 through 2023 to allow time for cost-effective project development while limiting how long the state retains existing carbon-emitting assets.

Furthermore, CESA supports the comments by the CAISO and other parties that renewable integration, locational, and reliability needs are interdependent and should be considered

¹⁸ SCE’s comments at pp. 44-45.

¹⁹ City and County of San Francisco’s (“CCSF”) comments at p. 3 and NRDC’s comments at p. 3.

holistically together in assessing procurements in the IRP.²⁰ CESA believes that LSEs can achieve cost savings by procuring resources that can simultaneously address Local and Flexible RA needs, advance the state’s decarbonization goals, and address System RA deficiencies. SCE, however, recommends that the RA proceeding separately focus on local procurement and explains that IRP procurement for local needs would create conflicts with the outcome of the central procurement structure to be adopted in the RA proceeding.²¹ CESA disagrees with bifurcating System and Local RA procurement, which could lead to inefficient procurement when resources that are strategically targeted to local capacity areas could cost-effectively provide both System and Local RA, especially as generation retirements potentially pose local constraints and deficiencies and as some LSEs have highlighted how Local RA needs are more urgent and needed.²² As such, LSEs will need locational guidance to target new and existing resource procurement.

Finally, as part of an all-hands-on-deck procurement approach to addressing the System RA and other reliability needs, both third-party contracted and LSE-owned resources should be considered eligible for procurement, as SCE has suggested.²³ CESA does not oppose utility-owned storage or other resources from being eligible for procurement to address the System RA shortfall, but the Commission should ensure that guardrails are put into place in line with Appendix A of Decision (“D.”) 19-06-032 issued in the Application (“A.”) 18-02-016, *et al.* proceeding.²⁴ Among other things, Appendix A directed that energy storage competitive solicitations should allow bid

²⁰ CAISO’s comments at p. 12.

²¹ SCE’s comments at p. 30.

²² San Diego Gas and Electric Company’s (“SDG&E”) comments at p. 11.

²³ SCE’s comments at p. 8.

²⁴ *Decision Implementing the AB 2868 Energy Storage Program and Investment Framework and Approving AB 2868 Applications with Modifications* issued on July 5, 2019 in A.18-02-016, *et al.*

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M309/K522/309522481.PDF>

participation and be evaluated without any bias towards any ownership model, and if such an open competitive solicitation for any ownership model is not possible, the investor-owned utilities (“IOUs”) should make a “sufficient and reasonable” showing to demonstrate why “particular value streams are only obtainable by procuring or investing in assets that are utility owned.”²⁵ SCE lists out a number of advantages of potential utility-owned storage in their comments as compared to third-party-owned storage assets,²⁶ but such purported benefits or advantages should be “discovered” as part of the competitive solicitation process where third-party-owned storage resources may be more cost-competitive or effective in delivering the underlying grid need, or third-party-owned storage resource bids/offers may challenge some of the assumptions being made by SCE around contractual and warranty limitations and net ratepayer benefits from storage asset life.

IV. LONG LEAD-TIME PROJECTS AND LONG-DURATION STORAGE PROCUREMENT REQUIRE NEAR-TERM ACTIONS TO ENSURE LONG-TERM RELIABILITY NEEDS ARE MET.

A number of parties echoed CESA’s opening comments on the need to avoid “kicking the can down the road” on long-term reliability and renewable integration issues and recommended that the Commission act now to ensure that needed resources, especially for long-duration and bulk storage, align with a longer-term vision.²⁷ Importantly, the CAISO agreed on the need to prioritize consideration of long-lead time projects such as transmission upgrades and bulk storage resources to ensure needed investments come online to meet fast approaching 2030 issues and beyond.²⁸ A myopic focus on 2021 needs will critically overlook the need to address medium-

²⁵ *Ibid*, Appendix A at p. 2.

²⁶ SCE’s comments at pp. 40-42.

²⁷ Hydrostor’s comments at pp. 3 and 6; Form Energy’s comments at p. 7; and Range’s comments at p. 1.

²⁸ CAISO’s comments at p. 12.

term and long-term needs that can only be addressed through Commission actions in the near term to assess potential investments that ensure reliability and achievement of the state's decarbonization goals.

Additionally, CESA also generally agrees with the CAISO's recommendation to assess the storage fleet and determine whether the suite of storage technologies will sufficiently and cost-effectively address different short- and long-term grid needs.²⁹ Most energy storage procurements to date have focused on providing short-duration regulation services and/or providing four-hour RA capacity, but as the state moves toward deeper decarbonization and greater penetration of renewables, the state may be faced with greater ramping challenges and longer-duration capacity and contingency needs. The Commission should be prepared to face these challenges by assessing the degree to which the current suite of energy storage technologies can serve as cost-effective solutions, which could involve procurement of bulk long-duration technologies (*e.g.*, pumped hydro storage, compressed air energy storage) and focus on market transformation frameworks and policies for certain energy storage technologies (*e.g.*, flow batteries, new battery chemistries). Ultimately, CESA believes that the Commission should simultaneously assess medium- and long-term grid needs, establish a longer-term vision and procurement framework, and consider policy actions today to advance the state toward solutions that address needs beyond 2021.

V. **2018 AVERAGE HOURLY SCHEDULES FOR BATTERY STORAGE RESOURCES PARTICIPATING IN THE MARKET WILL QUICKLY BECOME OUTDATED AND SHOW STORAGE PROVIDING RESOURCE ADEQUACY BACKED ENERGY OVER NEXT FEW YEARS.**

Several parties pointed to concerns about the cycling capabilities and usage of battery storage systems in the CAISO market as indication of a potential limitation of energy storage in

²⁹ *Ibid.*

meeting RA needs in the near and long term.³⁰ Specifically, parties cited the average hourly battery schedules for battery storage systems in 2018 from the *2018 Annual Report on Market Issues and Performance* as evidence that storage is not meeting the expectation that storage is providing load shifting, sufficient energy, or frequent cycling to address RA capacity and renewable integration needs; instead, DMM reported that battery resources were primarily being used to provide short-duration regulation services.

However, it is important to note that this data was informed by installed battery storage capacity as of 2018 and may provide a limited snapshot into how the majority of battery storage resources will be used going forward given that the vast majority of energy storage procurements pursuant to Assembly Bill (“AB”) 2514 are contracted to provide RA capacity and have yet to come online. Below, CESA assessed AB 2514 procurements and tracked the number of IOU storage capacity expected to come online by year under approved RA contracts or those pending approval. By this count, approximately 632 MW is still expected to come online under RA contracts over the next five years,³¹ notwithstanding several hundred additional megawatts of standalone or paired energy storage resources to be procured from community choice aggregators (“CCAs”) over this timeframe. Furthermore, many of these early-era energy storage systems participating in the market today likely use older, more expensive storage technologies; technological improvements have been made over time.

³⁰ California Large Energy Consumers Association’s (“CLECA”) comments at p. 10; CAISO’s comments at pp. 12-14; and WPTF’s comments at p. 6.

³¹ This information was collected from AB 2514-related Energy Storage Applications and annual compliance filings, which may not be updated in real-time to deployment milestones observed by IOUs. This data is based on expected commercial online dates for the following solicitations: PG&E’s 2014 Energy Storage (ES) RFO, 2016 ES RFO, and 2018 Local Sub-Area ES RFO; SCE’s 2013 Local Capacity Requirements (LCR) RFO, 2014 ES RFO, 2016 Aliso Canyon Energy Storage (ACES) 1 RFO and bilateral contracts, 2016 ES & Distribution Deferral RFO, 2016 Preferred Resources Pilot (PRP) 2 RFO, 2018 Moorpark/Goleta RFP, and 2018 ACES 2 RFO; and SDG&E’s 2016 Preferred Resources LCR RFO.

*Table 1: IOU AB 2514 Procurements for RA Expected to Come Online as of August 9, 2019
(in MW)*

	2019	2020	2021	2022	2023
PG&E	10.00	85.00	30.00	0.00	20.0
SCE	37.56	210.92	145.11	10.00	0.00
SDG&E	34.00	0.00	49.50	0.00	0.00
Total	81.56	295.92	224.61	10.00	20.00

By comparison, the DMM report assessed the operation of only 136 MW of battery storage resources participating in the CAISO market by the end of 2018, which is a small portion of energy storage expected to come online; the DMM report also does not capture the many storage resources that were deployed and operational in the first half of 2019. Many of the storage resources operating in the market today may not be operating under RA contracts and, as a result, the current trends of storage participation in the market may not be indicative of future expectations. Before casting doubts on storage capabilities to provide RA capacity or load shifting, a more robust data analysis is needed once the vast majority of storage projects come online and begin participating in the market.

Furthermore, instead of dismissing the ability of storage resources to meet RA capacity needs due to doubts on energy or cycling limitations, the focus should be on assessing and identifying the energy duration and performance requirements for RA capacity needs. Energy storage is an asset class that represents a suite of technologies that could address, for example, long-duration needs via technologies with 6 to 18 hours (or longer) of energy duration or via a portfolio of shorter duration battery storage technologies, as done with SCE’s 2018 Moorpark LCR Request for Offers (“RFO”). Grid needs, including energy duration requirements, should be

defined, while it is incumbent on competitive solicitations to select the least-cost, best-fit resources to address the underlying grid need.

VI. DISTRIBUTED ENERGY RESOURCES CAN AND SHOULD PLAY A ROLE IN ADDRESSING CAPACITY NEEDS.

The Commission should take an “all-hands-on-deck” approach to addressing the near-term capacity need, including by mobilizing DERs via load-modifying programs that reduce RA needs as well as by directly procuring for supply-side DERs via solicitations and auctions that provide RA capacity. As Sunrun points out, there is significant RA potential for solar and solar-plus-storage resources. Given the urgency of the procurement need, the Commission should look to DERs that both participate in the market as supply-side resources as well as DERs that operate strictly on the retail side, as Sunrun suggested, to allow for flexibility.³² There is no need to categorically pursue one over the other.

CESA agrees that demand-side resources should not be counted twice for addressing RA capacity needs and distinctions should be made on how DER deployment affects the baseline RA need versus providing RA capacity. However, incrementality is a complex issue that should not be used as the basis to categorically exclude DERs that could address the reliability need, as SDG&E suggested.³³ Resolution E-4889 in the Integrated Distributed Energy Resources (“IDER”) proceeding already provided *some* clarity on this matter such that resources that services offered by existing DERs that are above and beyond what is expected under other programs should be considered “incremental”³⁴ – *e.g.*, DERs that claim incentives under the Self-Generation Incentive

³² Sunrun’s comments at p. 4.

³³ SDG&E’s comments at p. 16.

³⁴ *Resolution E-4889: Approves, with modifications Pacific Gas and Electric Company (PG&E) Advice Letter (AL) 5096-E, 1 Southern California Edison Company (SCE) AL 3620-E/3620-E-A/3620-E-B and San*

Program (“SGIP”) or take service under the Net Energy Metering (“NEM”) tariff can be deemed partially incremental if the services it provides can be deemed incremental. However, in practice, DER providers have encountered ambiguity and inconsistent application of established incrementality rules when participating in competitive solicitations, where all stakeholders involved may benefit from Commission clarification on this matter, as SCE commented.³⁵ Resolution E-4889 was a good first step in defining a key incrementality principle, but specific clarifications from the Commission would ensure that incrementality of DERs for procurement is clearer from the outset and ensure that certain DERs are eligible and fairly valued/compensated.

In particular, CESA supports CalCCA’s recommendation to explore compliance pathways for demand-side resources to count as positive additions to an LSE’s compliance showing rather than a reduction to its future-year compliance obligation.³⁶ This issue goes back to the incrementality issue to a degree and requires the Commission to address how DERs can act as supply-side resources with real RA obligations similar to other RA resources. As Sunrun pointed out, there is significant RA potential from DERs, which can be locationally targeted to address Local RA capacity needs and mitigate market power issues, while contributing to System RA deficiencies. This should be further explored in the appropriate proceeding, likely the RA proceeding.

Diego Gas and Electric Company (SDG&E) AL 3089-E issued on December 19, 2017 at p. 27 and Finding of Fact 8 at p. 55.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M201/K961/201961781.PDF>

³⁵ SCE’s comments at pp. 36 and 45.

³⁶ CalCCA’s comments in Appendix A at p. 3.

VII. CONCLUSION.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alex J. Morris".

Alex J. Morris
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Date: August 12, 2019