

**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)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON
FILING REQUIREMENTS FOR 2020 INTEGRATED RESOURCE PLANS**

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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 *Administrative Law Judge’s Ruling Seeking Comment on Filing Requirements for 2020 Integrated Resource Plans* (“Ruling”), issued by Administrative Law Judge (“ALJ”) Julie A. Fitch on September 20, 2019.

I. INTRODUCTION.

CESA is generally supportive of the improvements made to the load-serving entity (“LSE”) plans as proposed in the Staff Proposal, which make them more usable in assessing aggregated portfolios. Without greater usability, the Commission may default to the modeled results for long-term planning as opposed to using LSE-provided “preferred” portfolios, as done with the adoption of the 2017-2018 Reference System Plan as the 2019 Preferred System Plan. Furthermore, CESA particularly supports the addition of reliability reporting requirements, such as those for System and Local Resource Adequacy (“RA”), which support long-term capacity and reliability planning and assessment of longer-term procurement need. The procurement track in this proceeding has

made clear that the IRP needs greater consideration of how to balance the greenhouse gas (“GHG”) emissions reduction and reliability objectives of long-term resource planning. The RA Program is not positioned to do such long-term resource planning, so the addition of reliability reporting requirements will support LSE long-term planning and new resource procurement pursuant to these dual objectives. At the same time, CESA believes it is important to allow for LSE flexibility to submit non-conforming plans to inform the Commission of alternative futures and scenarios as well as to allow LSEs to pursue resources not reflected in the Clean System Power (“CSP”) Calculator Tool. Finally, CESA also provides our responses to the questions to advocate for loss-of-load expectation (“LOLE”) modeling for all planning years and to seek clarification on the definition of “renewable integration resources”, how the Commission will address “subscriptions” to system resources, and how LSEs can report supply-side distributed energy resources (“DERs”) as supply-side resources or via the load-modifying toggle in the CSP Calculator Tool.

II. RESPONSES TO QUESTIONS.

Below, CESA provides our responses to select questions.

Question 1: Comment on the proposed changes to the type of plan that LSEs are eligible to file. Are there other changes, or modifications to the proposed changes, that should be considered?

CESA is generally supportive of Staff Proposal in establishing consistent filing requirements for Standard Plans and Conforming Portfolios, which can support aggregated portfolio assessments by the Commission through more detailed contractual information.¹

Question 2: Comment on the proposed changes to the required and optional portfolios for individual LSE filings. Are there changes, or modifications to the proposed changes, that should be considered?

¹ Staff Proposal at 13.

In addition to the Standard Plans and Conforming Portfolios that use the same inputs and assumptions from the Reference System Plan, CESA believes that it is helpful to also see non-conforming plans, if an LSE opts to do so for various reasons. CESA thus disagrees with the elimination of LSEs filing non-conforming portfolios since they can be helpful to assess alternative futures and scenarios and support the narrative around any concerns they have with their Conforming Portfolios.² For example, CESA found the high-electrification future that Southern California Edison Company (“SCE”) in their 2018 LSE Plan to be extremely insightful, especially given the time, resource, and modeling run time limitations of Commission staff and the E3 modeling team. In those alternative portfolios, stakeholders were able to supplement the existing “conforming” analysis (*i.e.*, Reference System Plan) and inform the record of potential different futures (*e.g.*, high electrification) but also take into account different modeling tools used by LSEs that may have comparative advantages and disadvantages compared to RESOLVE.³ CESA, for instance, has previously noted the limitations of the RESOLVE modeling tool in being able to optimize for multi-day and seasonal storage needs. An LSE looking at such long-duration storage (*e.g.*, compressed/liquid air energy storage, hydrogen storage) may not be able to demonstrate the value of such new resources without the option to submit non-conforming portfolios. Importantly, even as the Conforming Portfolio should be used for aggregation into the Preferred System Portfolio, the Commission should not eliminate the possibility of LSEs filing non-conforming portfolios, which can enhance the discourse and the analysis in this proceeding.

Question 8: Comment on the proposal to introduce planning standards, or metrics, to be reported by LSEs. Do you see value in requiring LSEs to report on specific planning standards? Why or why not?

² Staff Proposal at 14.

³ SCE used ABB’s capacity expansion modeling tool to present different results that highlighted significant needs for storage.

CESA supports the proposal to introduce planning standards as “counts” for how existing, procured, and planned resources meet System and Local RA capacity requirements support long-term RA planning and assessment of procurement need. In doing so, the Commission will have a future-looking assessment of the RA “stack” of the aggregated portfolio. One of the lessons learned from the recent procurement track has been that the Commission and LSEs must proactively assess future needs to allow for new resource procurement on timely yet reasonable deployment timelines in addressing the state’s reliability and GHG objectives. Understandably, RA stack accounting is simplified and does not account for operational capacity needs or different types of capacity resource characteristics that may be needed but is appropriate for the purposes of reporting and aggregation of LSE Plans. Operational challenges or capacity resource performance characteristics are better addressed through market enhancement initiatives with the California Independent System Operator (“CAISO”) or RA product reforms in the Commission’s RA proceeding. With this added reliability reporting requirement, the Commission may be better informed to incentivize or direct new resource procurement to meet future reliability needs.

**Question 9: Should planning standards be informational in this IRP cycle?
Should the Commission consider using the planning standards in
a future citation program? Why or why not?**

CESA believes that it is reasonable to include planning standards as informational at this time, but as the Commission seeks to address future reliability needs, such as in 2024 and 2025 due to the upcoming Diablo Canyon Power Plant (“DCPP”) retirement, the Commission should move to develop a more binding requirement and enforcement mechanism to these planning standards.

Question 10: Do you agree with the areas identified for planning standards? Are there other relevant areas that should be considered for planning standard development?

As in the procurement track, CESA is unclear on how the Commission defines “renewable integration resources” that are identified in the Reference System Plan and may be needed as part of the “resource mix” to meet various planning standards. The Staff Proposal further discusses how such resources should be reflected in LSE Plans in “proportional load share” to what was identified in the Reference System Plan.⁴ To support LSE planning and procurement of the resource mix needed to support renewable integration, the Commission should define the definition of such resources and the specific planning standard by which LSEs will be measured. If, for example, the Commission focuses on Flexible RA requirements as the planning standard by which LSEs must plan and report, the counting and allocation in proportion to load share can be more easily achieved since Flexible RA requirements are already allocated to each LSE. If, however, the Commission seeks a different or additional requirement, the Staff Proposal should more clearly outline the specific planning standard for which LSEs will be required to report, plan, and procure for in addition to having a more detailed mechanism by which such obligations will be proportionally allocated and required for each LSE.

Question 12: Comment on the proposed planning standard for the GHG benchmark and make any recommendations for improvement.

CESA generally supports the Staff Proposal to assess aggregated LSE portfolios to the 2030 GHG benchmark. However, it is unclear from the Staff Proposal on how the Commission will attribute collective 2030 GHG emissions “shortfalls” to specific LSEs in order to direct the

⁴ Staff Proposal at 14.

submission of corrective action plans. This aspect of the Staff Proposal likely requires further elaboration and details.

Question 13: Comment on the proposed differences in filing requirements for resources expected to be online in the medium term (by 2026) compared to those expected in the long term (2027-2030).

CESA generally supports the Staff Proposal's aggregation process for the Preferred System Portfolio, particularly around the proposed re-allocation process for general system resources in the long term that accounts for existing transmission capabilities. This appears to do a reasonable job in simulating how new resource development in the long term seek to utilize existing transmission capacity wherever possible.

Question 23: Will LSEs be able to complete the "Example System Planning Capacity vs. Contracted and Planned Resources Table" without double counting resources? Explain.

Addressing the issue of double counting resources will be particularly important when it comes to "system resources" where multiple off-takers may "plan" to procure capacity, energy, GHG, or flexibility benefits from that resource (*e.g.*, out-of-state hydro). CESA imagines an "oversubscription" could result from many LSEs similarly planning to leverage such system resources. A more detailed proposal on how to account for and resolve these oversubscriptions are needed. Potentially, if LSEs and/or the Commission considers new system or bulk resources such as pumped hydro storage, this issue will likely need to be addressed.

Question 24: Do you agree with the effective load carrying capacity assessment approach proposed under the system capacity requirement planning standard? Propose any alternatives and provide rationale.

CESA is generally supportive of the effective load carrying capacity (“ELCC”) assessment of aggregated LSE plans, which can inform new ELCC values to be applied to the various resources.

Question 25: What threshold should staff use to determine whether to conduct a loss-of-load expectation study on any specific year of an aggregated portfolio?

Rather than setting a threshold, a LOLE study should be conducted on each of the planning years (*e.g.*, 2022, 2026, 2030) to inform procurement decision making. If the Commission wishes to limit the number of studies due to time and resource constraints, CESA recommends that the Commission focus on LOLE studies for 2026 and 2030 since the Commission has already initiated procurement to address 2021-2023 needs. A 2026 LOLE study would inform whether the Commission needs to take near-term actions in 2020 to address 2026 reliability shortfalls or GHG emissions targets.

Question 28: Comment on the proposed planning standard for resource mix. Is there value in the LSEs reporting this standard? Suggest any improvements.

Reporting on resource mix can be helpful for informational purposes but there is little value, in our view, in terms of reliability planning. Reliability problems with the resource mix, if significantly deviating from the Reference System Plan, can be uncovered from the Staff Proposal’s loss-of-load and ELCC studies.

Question 31: Comment on the proposed changes to the methodology and calculator tool. Are there other changes or modifications that should be considered?

CESA supports the proposed changes to the calculator tool, particularly the inclusion of criteria air pollutants, which will support LSE planning and decision making. Clarifications or

modifications, however, may need to be considered in the tool in order to fairly account for DERs planned as system resources. The Staff Proposal includes a load-modifying toggle to allow for some modifications to an LSE's load shape, but it appears that this is mostly focused on end-use load forecasts.⁵ DERs acting as supply-side resources have the potential to materially affect this load shape, so the Staff Proposal should consider how DERs should be reported in the tool – *i.e.*, either as justification for a different load shape or as a supply-side resource that counts toward the Commission's reporting requirements.

III. CONCLUSION.

CESA appreciates the opportunity to submit these comments to the Ruling and Staff Proposal. We look forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,



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⁵ Staff Proposal at 39.