

**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)

**CALIFORNIA ENERGY STORAGE ALLIANCE'S PETITION FOR MODIFICATION
OF DECISION 19-11-016**

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April 1, 2020

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In accordance with Rule 16.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits *California Energy Storage Alliance’s Petition for Modification of Decision 19-11-016* (“Petition”) to modify Decision (“D.”) 19-11-016, *Decision Requiring Electric System Reliability Procurement for 2021-2023*, issued on November 7, 2019 by the Joint Commissioners. Furthermore, pursuant to Rule 1.2 of the Rules of Practice and Procedure, CESA requests that the Commission shorten the time period for responses to the Petition to 15 days from submission of this filing, via a separately filed but concurrent Motion, in order to facilitate timely resolution of this Petition and achieve the objectives of the requested relief.

I. SUMMARY OF REQUESTED RELIEF.

CESA respectfully requests that the Commission revise D.19-11-016 to allow investor-owned utilities (“IOUs”) to submit Tier 2 advice letters for expedited 30-day approval for any incremental resource contracts executed to meet the 2021 compliance requirements and to come online by the August 1, 2021 deadline. CESA seeks an expedited regulatory review and approval pathway for a narrow set of potential resources that can meet the 2021 compliance requirements

while otherwise adhering to the guidance, procurement parameters, approval processes, and orders of the decision.

In addition, to support the timely effectiveness of the requested relief, CESA also requests that the Commission shorten the response period for this Petition to 15 days from submission of this filing and resolve this Petition with an immediate effect date upon vote for approval at the May 7, 2020 voting meeting, such that IOUs have the ability to submit Tier 2 advice letters for contract approval of projects with August 1, 2021 expected online dates and developers are afforded sufficient time to construct and deploy projects accordingly.

Our specific requested modifications to the Findings of Fact (“FOF”), Conclusions of Law (“COL”) and Ordering Paragraphs (“OP”) of D.19-11-016 are included in the Attachment to this Petition.

The requested modification is justified on the following grounds and is detailed further in this Petition:

- Accounting for their project milestones, energy storage and other preferred resources can meet urgent 2021 system reliability needs with an expedited approval process and reduce the reliance on once-through-cooling (“OTC”) facilities.
- An expedited approval process to address urgent reliability needs is supported by Commission precedent.
- Parties still maintain due process while other protections are in place to ensure reasonableness of proposed contracts for approval.
- Contract approval processes are otherwise unchanged from the decision for contracts submitted for approval to meet 2022 and 2023 requirements.

Due to the short period of time between contract signing and proposed online dates for these projects, the typical Tier 3 Commission approval timeline of 4-6 months would force many projects to proceed at risk with equipment procurement and construction activities without Commission approval for many months, which would significantly endanger the ability of projects

to achieve financing, permitting, procurement, and construction milestones in order to hit the aggressive commissioning schedule that the Commission has directed.

This Petition's requests are inclusive of any IOU that wishes to submit contracts for approval under an expedited 30-day approval process for projects coming online by August 1, 2021. By way of example, Southern California Edison Company ("SCE") is the furthest along via launching its RFO for 2021 projects in Fall 2019 with bids due in November 2019 and with a separate Fast Track for bids, making it most likely to benefit from the requested relief. Though Pacific Gas and Electric Company ("PG&E") launched their competitive solicitation on February 28, 2020, they may also have contracts eligible under the expedited approval processes if 2021 contracts are submitted to the Commission by mid-May 2020.¹ San Diego Gas and Electric Company ("SDG&E"), alternatively scheduled to file its Tier 3 advice letter for contract approvals by August 31, 2020,² which may present significant challenges for 2021 online dates due to the later planned approval processes and 11-month period of time between filing and online date. Regardless of the IOU or timing, this Petition would allow any contracts to be subject to an expedited approval process via Tier 2 advice letter filing if those resources are expected to come online by the August 1, 2021 deadline.

II. INTRODUCTION.

Leading up to the issuance of D.19-11-016 in the Integrated Resource Planning ("IRP") proceeding, the Commission staff identified the possibility of a significant shortfall in System Resource Adequacy ("RA") in California by Summer 2021, leading to the Commission finding it

¹ See PG&E's System Reliability RFO Phase 1: https://www.pge.com/en_US/for-our-business-partners/energy-supply/electric-rfo/wholesale-electric-power-procurement/system-reliability-rfo-phase-one.page

² See SDG&E's 2021-2023 Reliability RFO: <https://www.sdge.com/2021-2023-irp-reliability-rfo>

reasonable and necessary to direct the procurement of incremental System RA resources, apportioned to each load-serving entity (“LSE”), to ensure safe and reliable electricity service.³ The Commission thus found it reasonable to direct “least regrets” actions with respect to LSE procurement, with 3,300 MW of incremental System RA resources to be procured by 2023, with 50% of the required resources to be online by August 1, 2021, 75% by August 1, 2022, and 100% by August 1, 2023.⁴ CESA supported and applauded the Commission’s decisive action to mitigate this near-term reliability challenge and continues to support the Commission’s efforts to ensure system reliability while advancing the state’s decarbonization goals.

As multiple competitive solicitations and bilateral negotiations have launched in response to D.19-11-016, CESA has found that the project financing, equipment procurement and construction timelines may make it challenging to achieve a commercial online date (“COD”) of August 1, 2021 for resources procured by LSEs to achieve their 2021 procurement requirements. Given the typical project milestones involved in bringing a new project online, new resources may not be able to achieve the August 1, 2021 COD unless the Commission compresses the project deployment timeline with expedited regulatory review and approval for executed contracts submitted for approval by the IOUs. In recognizing the near-term nature of the reliability need, D.19-11-016 determined that Tier 3 advice letters represented the appropriate vehicle to allow for due process for parties in this proceeding while facilitating an expedited approval process.⁵

However, in light of new information regarding project deployment timelines, as detailed further below, CESA requests that the Commission grant the requested relief above to be reviewed through Tier 2 advice letter processes under an expedited 30-day review and approval timeline for

³ D.19-11-016 at FOF 1, 3, and 5.

⁴ D.19-11-016 at COL 9 and OP 3.

⁵ D.19-11-016 FOF 28.

contracts submitted for Commission approval to come online by August 1, 2021 and meet the 2021 compliance requirements. In previous comments, CESA generally commented on the need for advice letter approval processes for storage contracts and supported the Tier 3 advice letter process for the purposes of the IRP 2021-2023 system reliability procurement directive,⁶ but we were not aware at the time of how actual solicitation timelines would play out. More importantly, new information on key project development milestones and time needs emerged as the amount of time taken to launch and complete competitive solicitations materialized differently than expected. For example, while SCE, the earliest of the IOUs to act and launch a solicitation, planned to have contracts executed by January 2020 and submit contracts for approval by February 2020,⁷ such a filing has yet to be submitted, leading to less time for developers to realistically secure financing, procure equipment, and construct projects to meet the August 1, 2021 timelines. An expedited approval process for contracts aiming to meet 2021 compliance requirements would better ensure timely deployment of resources such as energy storage to be operational in a timely manner.

As such, CESA believes it is reasonable to adopt the relief requested in this Petition based on the additional information and justifications provided below.

⁶ *Comments of the California Energy Storage Alliance to the Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability* filed on December 20, 2018 in R.16-02-007 at 16-17.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M254/K771/254771224.PDF>

⁷ *Southern California Edison Company's (U 338-E) Opening Comments on Assigned Commissioner and Administrative Law Judge's Ruling Initiating Procurement Track and Seeking Comment on Potential Reliability Issues* submitted on July 22, 2019 in R.16-02-007 at 37-39.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M310/K064/310064708.PDF>

III. ACCOUNTING FOR THEIR PROJECT MILESTONES, ENERGY STORAGE AND OTHER PREFERRED RESOURCES CAN MEET URGENT 2021 SYSTEM RELIABILITY NEEDS WITH AN EXPEDITED APPROVAL PROCESS AND REDUCE THE RELIANCE ON ONCE-THROUGH-COOLING FACILITIES.

Energy storage resources in particular are well-positioned to address some or a large portion of the System RA needs identified in D.19-11-016 due to its ability to provide system peaking capacity, integrate renewables, and deliver on the state’s decarbonization goals, in addition to having demonstrated the ability to be deployed on relatively quick timeframes. While the Commission has generally maintained a technology neutral position on all procurement matters, D.19-11-016 implied the importance of resources like energy storage that are able to meet system peak needs that are occurring later in the day and are able to integrate renewables.⁸ In a Proposed Decision in R.16-02-007 that was voted for approval on March 26, 2020, the adopted 2019-2020 Reference System Portfolio also identified significant amounts of energy storage (*i.e.*, 8,873 MW of battery storage and 973 MW of long-duration storage) as being needed by 2030 to achieve our base-case greenhouse gas (“GHG”) emissions targets in addition to providing reliability, with more storage being needed under more aggressive GHG emission targets.⁹ Importantly, D.19-11-016 expressed the Commission’s commitment to ensure the retirement of OTC units, though recognizing that they may be needed to ensure safe and reliable electric service.¹⁰

In order to maintain reliability in 2021 and beyond while also adhering to the OTC retirement commitment to the fullest extent possible, CESA believes that the Commission should

⁸ D.19-11-016 at COL 7.

⁹ 2019-2020 *Electric Resource Portfolios to Inform Integrated Resource Plans and Transmission Planning* approved on March 26, 2020 in R.16-02-007 at 26, 41-42, and 46-48.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M330/K357/330357384.PDF>

¹⁰ D.19-11-016 at COL 4.

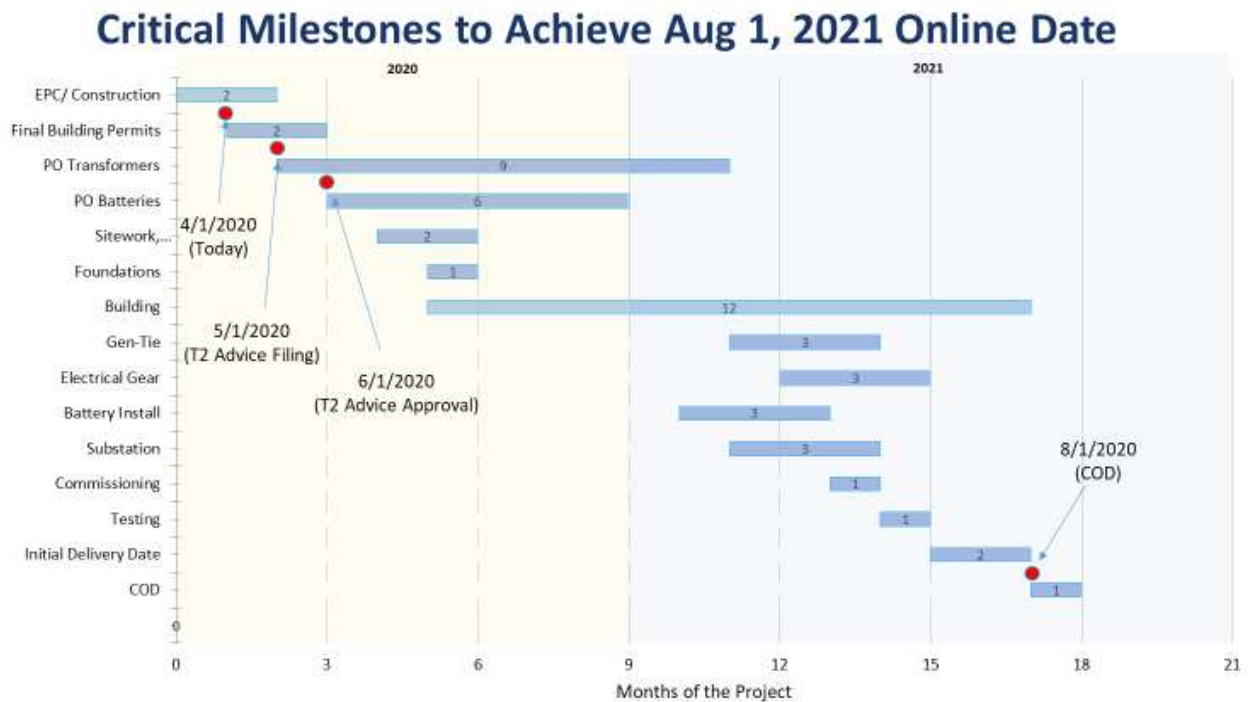
do what it can to ensure that new preferred resources are able to come online in a timely fashion to deliver on the promises of GHG emission reductions and system reliability. Though OTC facility extensions have been granted and could be procured to address near-term system reliability needs, this should be a last-resort measure to address this fast-approaching system reliability need. Instead, the Commission should exercise its authority and ability to facilitate the timely deployment of new RA projects, including energy storage and other preferred resources, that can meet the near-term reliability need and still advance the state’s decarbonization goals in line with the 2019-2020 Reference System Portfolio.

However, to realize the timely deployment of new energy storage projects seeking to come online by August 1, 2021 and after accounting for project milestones and timelines, the Commission approval process established in D.19-11-016 must be shortened from the usual four- to six-month timeline for Tier 3 advice letter approvals to a more expedited 30-day approval under a Tier 2 advice letter process. This expedited approval pathway will provide the minimal time necessary for developers to secure financing, make the necessary equipment orders, and begin construction processes, which often can only commence upon receiving final Commission approval of the contracts. Even for projects that are 100% permitted by the local authority having jurisdiction (“AHJ”) offices and with executed or near-final interconnection agreements, large battery storage projects (*e.g.*, 100 MW or more) typically require 12 months to complete construction and require 9 months to make advanced purchases of certain equipment orders (*e.g.*, transformers, racks, batteries).¹¹ Furthermore, though the COD is set for August 1, 2021,

¹¹ The COVID-19 situation has constrained storage supply chains for some companies, but many companies have reported to CESA that these events likely will not delay near-term projects at this time. In other words, there are no reported delays of purchase orders and equipment delivery at this time. These projects are already permitted, leading to less risk of delay due to permitting office closures or remote operations, and it is our understanding that electrical construction workers are considered “essential” in regards to the

construction and testing must be completed for initial deliveries 60 days prior to August 1, 2021 in order to meet LSE’s month-ahead RA filing requirements.

Assuming that site development is completed, financing has been secured,¹² environmental and construction permits are secured, and a generator interconnection agreement (“GIA”) has been executed, the Gantt chart below of a typical large battery storage project outlines the typical time required for the next steps of project development, which involve critical milestones for equipment purchase, construction, and commissioning/testing. Some of these steps may overlap in time where these activities can be completed concurrently with other milestones while others are sequential and require preceding milestone steps to complete the activity. Typically, these steps occur after an executed contract with an LSE is approved by the Commission and unappealable.



Governor’s shelter-in-place order, meaning that such construction work may continue. However, there is uncertainty if purchase orders and equipment deliveries cannot be completed in the next few months due to the evolving COVID-19 situation.

¹² Normally, it is very difficult to secure project financing without Commission approval.

However, given current timelines for solicitation completion, many potentially contracted projects will be forced to choose to take many of the above outlined equipment procurement and construction steps without Commission approval, leading to these developers having to invest capital into projects well before they are even approved by the Commission and creating significant financial and regulatory risk for developers. This assumes that it is possible to secure financing for large projects without Commission approval, which may not be the case in the current financial environment due to COVID-19 triggering a recession. As of the date of this filing, some developers may be already several months into their typical post-GIA, post-contract-approval portion of the project development timeline, as shown in the chart. If the Commission grants this Petition and adopts the proposed expedited timeline to review and resolve this Petition by May 7, 2020, an LSE could potentially submit a Tier 2 advice letter as early as May 8, 2020 and potentially have those contracts approved by June 8, 2020, limiting the risk exposure of developers needing to make sizable investments without Commission approval. Furthermore, even if developers are able to finance some of the early portion of the aforementioned development costs without Commission approval, there is a limit to such at-risk financing, and developers will be challenged to raise debt and equity to finance the larger purchase and construction costs of the projects, which will come due as soon as Q3 2020, given the six- to 12-month lead times on critical equipment for electric power infrastructure projects.

Considering these project development realities, the adopted Tier 3 advice letter approval processes for IOU contracts makes it much less possible or feasible for new energy storage projects to be deployed and online by August 1, 2021. Tier 3 advice letter approval processes can take six months or longer to address protests, responses, and comments to the advice letter filing and Draft Resolution on the solicitation results and decision. In a recent example, SCE was directed to file

any contracts resulting from the Aliso Canyon Energy Storage (“ACES”) 2 Request for Offers (“RFO”) for Commission approval by a Tier 3 advice letter.¹³ SCE subsequently submitted a Tier 3 advice letter on May 23, 2019¹⁴ that was approved via Resolution E-5033 on December 6, 2019,¹⁵ just exceeding a 6-month timeline (197 days). By way of another recent example, Pacific Gas and Electric Company (“PG&E”) was also recently authorized to submit Tier 3 advice letters for approval of contracts resulting from 2018 Local Energy Storage RFO,¹⁶ which resulted in an advice letter filing on June 29, 2018¹⁷ and a final resolution to be issued on November 9, 2018¹⁸ – an approximate 4-month approval timeline (130 days). Under a similar approval timeline for contracts submitted for approval by, say, SCE in May 2020, the Commission may not approve these contracts until November or December 2020, long after equipment needs to be ordered. Therefore, accounting for these timelines, any energy storage projects contracted by SCE would

¹³ *Resolution E-4937. Authorizing Southern California Edison’s plan to conduct a solicitation for energy storage to comply with SB 801 (Stern)* issued on August 10, 2018 at Order 4.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M221/K689/221689899.PDF>

¹⁴ *Advice 4002-E. Submission of Energy Storage Contracts for Review and Approval, Pursuant to Commission Resolution E-4937 and Senate Bill 801* submitted by SCE on May 23, 2019.

https://library.sce.com/content/dam/sce-doelib/public/regulatory/filings/pending/electric/ELECTRIC_4002-E.pdf

¹⁵ *Resolution E-5033. Approves Southern California Edison’s plan submitted in Advice Letter 4002-E to procure 95 megawatts of energy storage resources in the Santa Clara/Goleta sub-areas of Moorpark sub-area of Big Creek/Ventura local reliability area* issued on December 6, 2019.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M321/K599/321599314.PDF>

¹⁶ *Resolution E-4909. Authorizing PG&E to procure energy storage or preferred resources to address local deficiencies and ensure local reliability* issued on January 11, 2018 at Finding 20 and Order 13.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M205/K602/205602530.PDF>

¹⁷ *Advice 5322-E. Energy Storage Contracts Resulting from PG&E’s Local Sub-Area Request for Offers Per Resolution E-4909* submitted by PG&E on June 29, 2018.

https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5322-E.pdf

¹⁸ *Resolution E-4949. Pacific Gas and Electric request approval of four energy storage facilities with the following counterparties: mNOC, Dynegy, Hummingbird Energy Storage, LLC, and Tesla* issued on November 8, 2018. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M240/K050/240050937.PDF>

not make the August 1, 2021 COD and would push timelines of projects well into Q4 2021 or beyond.

In sum, while expedited approval process for 2021 projects may not ensure that OTC reliance is eliminated, the Commission did encourage LSEs to exceed the year-by-year 2021-2023 minimum requirements to “help minimize or eliminate the need for the OTC compliance extensions requested.”¹⁹ By granting this Petition, it would enable IOUs to procure the necessary replacement resources on time, thereby increasing the likelihood that OTC reliance is minimized or eliminated in line with California’s long-standing environmental goals.

Finally, as the trade association representing energy storage companies, CESA is speaking to the project deployment milestones of energy storage projects, but this Petition is not intended to preclude other new preferred resource procurement that could also meet the 2021 requirements. Under the decision’s all-source requirements and the guardrails put in place (*e.g.*, prohibition against new fossil-fuel-only resources),²⁰ contracts for other types of resources (*e.g.*, standalone solar and wind, hybrids, demand response, aggregated behind-the-meter [“BTM”] storage) should also be permitted in the IOU’s Tier 2 advice letter submission if these projects seek to meet the August 1, 2021 online date and are otherwise able to meet the System RA requirements and advance the state’s decarbonization goals.

IV. AN EXPEDITED APPROVAL PROCESS TO ADDRESS URGENT RELIABILITY NEEDS IS SUPPORTED BY COMMISSION PRECEDENT.

The Commission has previously exercised its authority to expedite public review and comment periods in solicitations that required resource procurement approvals to occur on an

¹⁹ D.19-11-016 at 3.

²⁰ D.19-11-016 at COL 22.

expedited timeframe to address emergency situations. For the ACES 1 RFO conducted by SCE in 2016, for example, the Commission sought to mitigate the impacts of the leaks from the Aliso Canyon natural gas storage, which was placed under a moratorium by the Governor. While Resolution E-4971 directed Tier 3 advice letters to be submitted for any contracts submitted for approval to address the resulting electric reliability impacts, Commission Director Edward Randolph issued a letter on August 16, 2016 and exercised Rule 1.3 of General Order 96-B to shorten the protest and reply period for the advice letter for “good cause” in order to provide “allow the resources to achieve their initial online dates.” The resulting protest period was shortened to August 19, 2016, translating to a four-day review period for SCE’s submitted advice letter.²¹ Subsequently, upon issuing Draft Resolution E-4804 on September 1, 2016 to propose the approval of the contracts, the Commission referenced Public Utilities Code Section 311(g)(2) to allow the Commission to reduce or waive the usual 30-day review and comment period for draft resolutions in emergency situations that impact public health and safety,²² such that Final Resolution E-4804 was issued on September 16, 2016 – a 15-day turnaround time from draft to final resolution and a cumulative one-month period to go from advice letter filing to final resolution for Commission approval of contracts.

A similar 30-day approval process for contracts upon submission in an advice letter filing is needed to address this emergency scenario where system reliability is at risk in 2021 and one where reliance on OTC facilities could, even as a stopgap measure or insurance policy, have detrimental impacts on the environment and to disadvantaged communities. As summarized in D.19-11-016, many parties were opposed to the OTC extensions for these reasons.²³ While some

²¹ SCE submitted three advice letters (3454-E, 3455-E, and 3456-E) on August 15, 2016.

²² Resolution E-4804 at 5.

²³ D.19-11-016 at 17.

may contend that the 2021 System RA shortfall does not constitute the same level of “emergency” as the Aliso Canyon events, CESA disagrees since the supporting analysis from the California Independent System Operator (“CAISO”) suggests that the System RA and operational needs could be much larger than what has been directed²⁴ and reliance on OTC facilities should be minimized or eliminated. Alternatively, to implement a 30-day approval process, the Commission could maintain the Tier 3 advice letter process and exercise its authority to shorten protest, response, and review periods for the advice letter filing and draft resolution similar to what was done for the ACES 1 RFO, but a simpler path may be to institute a Tier 2 advice letter process from the start to provide upfront regulatory certainty that can be disposed within a 30-day period. CESA could support either alternative, but the latter path appears to be more straightforward, clear, and certain.

V. PARTIES STILL MAINTAIN DUE PROCESS WHILE OTHER PROTECTIONS ARE IN PLACE TO ENSURE REASONABLENESS OF PROPOSED CONTRACTS FOR APPROVAL.

Under a 30-day approval timeline for Tier 2 advice letter filings, parties wishing to weigh in on an LSE’s procurement approval requests still maintain due process while other procurement protections are in place to ensure reasonableness of proposed contracts for approval, though CESA recognizes that the process is more abbreviated. For any glaring issues where the contracts submitted for approval are in clear non-compliance with D.19-11-016, parties can still submit protests and/or responses to inform the Commission’s decision-making. However, as noted above, the abbreviated review period is warranted given the urgency of the state to eliminate reliance on OTC resources while addressing System RA shortfalls. Otherwise, CESA believes that no new

²⁴ *Reply Comments of the California Independent System Operator Corporation* submitted on August 12, 2019 in R.16-02-007 at 8-11.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M311/K582/311582922.PDF>

preferred resources such as energy storage will be able to come online to address any of the 2021 needs, leading to default reliance on the OTC plants in 2021.

Additionally, while not as comprehensive and representative of all stakeholder perspectives, each of the IOUs have protection mechanisms in place to ensure reasonableness of the proposed contracts for approval around cost effectiveness and resource effectiveness. The Procurement Review Group (“PRG”) consists of members representing the Energy Division staff, ratepayer advocates, and non-market participants (*e.g.*, environmental organizations, consumer groups) where updates on the utilities’ competitive solicitation process and results are provided on a regular basis. Each of the IOUs also contract with independent evaluators (“IE”) who ensure that the bidder outreach was sufficient, bid evaluation methodology and scoring is fair and reasonable, and the solicitation process is run fairly and transparently to the IE, while adhering to guardrails for affiliate bids, among other roles that the IE plays. An end-to-end monitoring and assessment of the solicitation is thus provided to ensure a threshold level of protection against unreasonable outcomes arising from solicitations that are reviewed in a more expeditious fashion. While such an expedited review process may not be appropriate for all solicitations, in this instance where 2021 needs are urgent, CESA finds it appropriate given these base monitoring and control mechanisms in place to allow new preferred resources such as energy storage to be online in a timely manner by August 1, 2021.

Finally, with D.19-11-016 apportioning System RA needs to each LSE, CESA believes that there are no complicating issues around cost allocation for any resulting procurement, which only occurs if an LSE elects to not self-procure their own incremental requirements and has another LSE procure its requirements on its behalf.²⁵ During the review process for PG&E’s 2018 Local

²⁵ D.19-11-016 at COL 13.

Energy Storage RFO contracts, cost recovery was one of the issues raised in response to the advice letter and draft resolution due to the use of the cost allocation mechanism, but this issue does not require additional review in this case as D.19-11-016 set LSE-specific requirements and nearly every LSE elected to self-procure for their requirements.²⁶

VI. CONTRACT APPROVAL PROCESSES ARE OTHERWISE UNCHANGED FROM THE DECISION FOR CONTRACTS SUBMITTED FOR APPROVAL TO MEET 2022 AND 2023 REQUIREMENTS.

This petition seeks to narrowly modify the contract approval process only for contracts submitted for approval to meet 2021 compliance requirements, thus maintaining the D.19-11-016 regulatory vehicle for contracts submitted for approval to meet 2022 and 2023 compliance requirements. Projects seeking to come online by August 1, 2022 and August 1, 2023 do not face the same compressed and tight timeframes that would make it difficult for equipment procurement and construction processes that would be hindered by the approval processes ordered in D.19-11-016. Subjecting these contracts to the Tier 3 advice letter filing requirement is still reasonable to achieve the balance identified as being needed in D.19-11-016 between appropriate due balance and expedited approval given that 2022 and 2023 projects still face near-term timeframes where alternative processes such as applications would take unreasonably long amounts of time to successfully achieve the 2022 and 2023 online dates.²⁷

Additionally, whether under the proposed Tier 2 advice letter process for 2021 projects and/or the already adopted Tier 3 process for 2022/2023 projects, other requirements and orders

²⁶ See IRP progress reports submitted by each LSE on February 18, 2020.

²⁷ Even though 2022 and 2023 projects do not face the same compressed timeline that necessitates more expedited approval processes, the 2022 and 2023 COD for projects still creates interconnection and deployment challenges where timely approval by the Tier 3 advice letter process is needed. To the degree possible, the Commission should seek to approve Tier 3 advice letters in a two- to three-month timeframe, as opposed to the 5- to 6-month timeframe that has been observed in past Tier 3 advice letter filings for contracts submitted for approval.

of D.19-11-016 would be maintained if this Petition is granted. For example, resource procurement would still need to be incremental to the established baseline list, adhere to the all-source procurement requirements and prohibition of new fossil-fuel-only resources, and require contract terms of 10 years or more for new resources, among other items that are established as parameters for resource procurement.²⁸ Moreover, under this Petition, CESA also requests that the IOUs still adhere to information submittal requirements for utility-owned resources,²⁹ but this Petition does not preclude contracts for utility-owned resources from being submitted for approval via a Tier 2 process if they are contracted to come online at or before the August 1, 2021 deadline. The same justifications apply for utility-owned resource contracts seeking to meet the 2021 reliability need.

VII. CONCLUSION.

CESA appreciates the opportunity to submit these Petition and respectfully requests that the Commission grant the requested relief in the Petition.

Respectfully submitted,



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Executive Director
CALIFORNIA ENERGY STORAGE ALLIANCE

Date: April 1, 2020

²⁸ D.19-11-016 at COL 23 and 28 and OP 7.

²⁹ D.19-11-016 at COL 29-30 and OP 9.

Attachment:
Revisions to Findings of Fact, Conclusions of Law, and Orders

Revisions to Findings of Fact, Conclusions of Law, and Orders

Findings of Fact:

28. Tier 3 advice letters represent an appropriate vehicle to balance a need for expedited approval and appropriate due process for parties wishing to weigh in on an LSE's procurement approval requests. **Tier 2 advice letters represent an appropriate vehicle to support expedited deployment of resources that can come online by the August 1, 2021 online date.**

Conclusions of Law:

32. The Commission should create an exception to the existing bundled procurement rules for IOUs and should require each IOU to submit a Tier 3 advice letter, or more than one, no later than January 1, 2021, to propose Commission approval for any procurement conducted to satisfy the requirements of this decision. **The IOUs may also submit a Tier 2 advice letter for contracts seeking approval to meet the August 1, 2021 commercial online date and to satisfy the 2021 requirements of this decision.**

Order

9. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall present the results of their solicitations required in Ordering Paragraph 7 above in one or more Tier 3 advice letters filed no later than January 1, 2021, **and in Tier 2 advice letters for contracts seeking approval to meet the August 1, 2021 commercial online date, subject to a 30-day review and approval period. These filings** shall include the following information in their advice letters:

- a. Metrics used to compare bids received in the solicitation;
- b. Metrics used to compare utility-owned resource options, using Appendix A, Section 2c, of Decision 19-06-032 as a guide;
- c. Demonstration of incrementality to the baseline given in Ordering Paragraph 5 of this decision.