BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.	Rulemaking 12-11-005 (Filed November 8, 2012)

COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE PROPOSED DECISION ADDRESSING PETITION FOR MODIFICATION OF DECISION (D.) 20-01-021 AND D.16-06-055

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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 comments on the *Proposed Decision Addressing Petition for Modification of Decision (D.) 20-01-021 and D.16-06-055* ("PD"), issued by Assigned Commissioner Clifford Rechtschaffen on September 16, 2020.

I. INTRODUCTION.

CESA is very appreciative and supportive of the PD that partially approves and partially denies CESA's Petition for Modification ("PFM") of Decision ("D.") 20-01-021 and D.16-06-055 that would transfer funds from the General Large-Scale Storage Budget to the Non-Residential Storage Equity Budget and the Residential Storage Equity Budget. As done in our comments to the Ruling issued on August 6, 2020, we reiterate our recognition of the Commission's responsiveness to new market uptake data and the Commission's timely actions.[1] In effect, this proposed action will provide economic stimulus and advance the program's equity-focused priorities in addition to supporting the development of many potential resiliency projects.

In particular, CESA supports the PD's determination to not pursue the lottery priority criteria as proposed in the August 6, 2020 Ruling for the Non-Residential Storage Equity Budget category and to authorize limited annual fund transfer authority for the Program Administrators

[1] PD at 10.

(“PAs”) starting after January 1, 2021. These changes represent improvements over the initial proposal included in the August 6, 2020 Ruling by streamlining administrative processes and implementation, avoiding retroactive changes that ensures fairness in the application process, and providing flexibility that supports additional waitlisted projects depending on the status of funds in different PA-specific budget categories and based on priorities that may emerge over the next several months. In the process, a significant portion of resiliency-focused projects may be supported in a timely manner in line with the Commission’s priorities.

However, while strongly supportive of the PD, CESA recommends some minor modifications that would better support timely and administratively efficient waitlisted Equity customers and offer some additional flexibility to PAs as conditions change and market uptake data bears out. Specifically, CESA offers the following comments on the PD:

- The $5 million per-entity cap for Non-Residential Storage Equity Projects is not necessary given the potential for delay and broader benefits that can be provided from a single entity.
- Equity applications that were erroneously submitted in the Equity Resiliency Budget on May 12, 2020 and directed to refile in the Equity Budget should be eligible for the lottery.

II. THE $5 MILLION PER-ENTITY CAP FOR NON-RESIDENTIAL STORAGE EQUITY PROJECTS IS NOT NECESSARY GIVEN THE POTENTIAL FOR DELAY AND BROADER BENEFITS THAT CAN BE PROVIDED FROM A SINGLE ENTITY.

CESA reiterates our concern with the new entity cap rule that may have potential costs that come in the form of delayed implementation with limited potential benefit. Since “entity” represents a new term in the SGIP Handbook, the lottery will likely be delayed by the SGIP Handbook revision and IT implementation processes and could be further complicated by adding another constraint or criteria. In addition, the PAs may need to create a new tracking and verification process for a limited-time purpose – *i.e.*, to support this one-off transfer to be distributed via a one-time randomized lottery. Even after being implemented, the running of the lottery could be delayed by requiring all waitlisted applicants to submit another documentation form to determine whether different host customer sites can be attributed to any single entity. Since these revisions seem to be a temporary change to support the Commission’s intent of equitably distributing transfer funds, CESA sees this new rule as only serving to add administrative delay and complexity with limited short- and long-term benefit. Moreover, because the public database only reports data on host customer type, it is difficult to quantify the scope of the impact of this proposed rule, but it is presumably intended to mitigate a small subset of customers from benefiting from the funds transfer.[2]

Even if a single entity was to claim a higher relative share than other entities, the Commission should not assume that such result is inequitable since there are many valid reasons for their greater share of applications in the Non-Residential Storage Equity Budget. For example, a single water or school district may span many locations and serve different communities such that limiting the funds for any given entity does not mean storage benefits and funds are concentrated in one location or set of customers. In some cases, the entity may be experiencing a greater need for these funds due to their location in dense urban areas (*e.g.*, more customers served), more significant need for resiliency or other grid services, etc.

Taken together, CESA urges the Commission to reconsider and remove the per-entity cap rule as proposed in the PD.

III. EQUITY APPLICATIONS THAT WERE ERRONEOUSLY SUBMITTED IN THE EQUITY RESILIENCY BUDGET ON MAY 12, 2020 AND DIRECTED TO REFILE IN THE EQUITY BUDGET SHOULD BE ELIGIBLE FOR THE LOTTERY.

CESA requests that the Commission make an exception and expand the eligible list of applications for the lottery to a limited number of projects that were originally submitted in the Equity Resiliency Budget on May 12, 2020, but due to an error in understanding of their eligibility, were directed to resubmit their application in the more appropriate Equity Budget. With a correct understanding of the rules, these applicants likely would have submitted their application in the Equity Budget on May 12, 2020; however, their understandable error led these applicants then be required to refile their application in the Equity Budget at a later time. Due to the novelty and complexity of the Equity Resiliency Budget eligibility criteria, CESA requests that the Commission be understanding and grant this limited exception for such projects to just have an opportunity to claim transfer funds as part of the lottery. Generally, such confusion and error is understandable (and unavoidable in certain cases) since eligibility criteria, such as whether a

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[2] PD at 12.

customer experienced two or more public safety power shutoff ("PSPS") events, can be hard to ascertain, difficult to affirm upfront, and/or subject to different interpretations (*e.g.*, accounting/reporting versus experience of PSPS events). CESA is unable to determine the number of applications implicated by this request based on publicly-available data but assumes the number of such projects is limited.

IV. CONCLUSION

CESA appreciates the opportunity to submit comments on the PD and again commend the Commission for taking this proposed action. We look forward to working with the Commission and stakeholders in this proceeding to ensure continued successful outcomes stemming from this important program.

Respectfully submitted,

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CALIFORNIA ENERGY STORAGE ALLIANCE

Date: October 6, 2020.