

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

Order Instituting Rulemaking to Consider
Distributed Energy Resource Program Cost-
Effectiveness Issues, Data Access and Use,
and Equipment Performance Standards.

Rulemaking 22-11-013
(Filed November 17, 2022)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE
ORDER INSTITUTING RULEMAKING TO CONSIDER DISTRIBUTED ENERGY
RESOURCE PROGRAM COST-EFFECTIVENESS ISSUES, DATA USE AND ACCESS,
AND EQUIPMENT PERFORMANCE STANDARDS**

Jin Noh
Policy Director

Grace Pratt
Policy Analyst

CALIFORNIA ENERGY STORAGE ALLIANCE
10265 Rockingham Dr.
Suite #100-4061
Sacramento, CA 95827
Telephone: (510) 665-7811
Email: cesa_regulatory@storagealliance.org

January 9, 2023

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

Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards.

Rulemaking 22-11-013
(Filed November 17, 2022)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE
ORDER INSTITUTING RULEMAKING TO CONSIDER DISTRIBUTED ENERGY
RESOURCE PROGRAM COST-EFFECTIVENESS ISSUES, DATA USE AND ACCESS,
AND EQUIPMENT PERFORMANCE STANDARDS**

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 *Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-effectiveness Issues, Data Use and Access, and Equipment Performance Standards* (“OIR”), adopted by the Joint Commissioners on November 17, 2022.

I. INTRODUCTION.

As California’s energy system goes through a major transition, the use of distributed energy resources (“DERs”) to help maintain electric system reliability and affordability is growing in importance. There are many different potential use cases and benefits for DERs which are currently being discussed in a wide variety of Commission proceedings, including Rulemaking (“R.”) 21-06-017 on a High DER Future, R.22-07-005 on Advancing Demand Flexibility through Rates, and many other proceedings. In order to create a unified vision and coordination among DER efforts, the Commission released a DER Action Plan. CESA is supportive of the most recent DER Action Plan 2.0 and the four tracks within the Action Plan: Load Flexibility and Rates, Grid Infrastructure, Market Integration, and Customer Programs. As highlighted by the OIR, this new proceeding on

DER cost effectiveness, data use, and equipment performance standards will “[serve] as a procedural framework for advancing the vision articulated in the customer programs track.”

The term DER can encompass a wide variety of resources that are connected to the distribution system. These resources can be physical assets located in-front of the meter (“IFOM”) or behind-the-meter (“BTM”), as well as demand resources that can be deployed to reduce or shape load. Although IFOM generation and energy storage resources interconnected to the distribution system are DERs, BTM systems or resources on the site of an electric customer are able to provide unique benefits. to that customer, including reduced electric bills and resiliency.

Programs to aid in the deployment and operationalization of DERs have been crucial to the rollout of BTM systems. A wide variety of customer programs have been deployed by load-serving entities (“LSE”), the Commission, and the California Energy Commission (“CEC”) to provide financial assistance to help customers purchase physical DERs or to compensate customers for operationalizing their resources in particular ways, such as during demand response (“DR”) events or on daily basis as permanent load shaping (“PLS”). For example, the Self-Generation Incentive Program (“SGIP”) provides financial support to purchase an energy storage system or other eligible renewable generation technology, while the Emergency Load Reduction Program (“ELRP”) provides compensation for customers that reduce their energy usage or export energy during an emergency reliability event. These programs have contributed to the deployment of significant amounts of resources, with SGIP deploying over 500 MW of energy storage¹ and ELRP providing 200 MW of emergency resources in 2021.²

¹ CESA has calculated 551MW of energy storage have been deployed in SGIP as of December 2, 2022. Data based on SGIP Real-Time Public Report (accessed on December 2, 2022). Available at: <https://www.selfgenca.com/home/resources/>

² The Commission has cited over 200 MW of non-residential customer participation in ELRP in 2021. Data from: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/emergency-load-reduction-program>

Given the importance of customer-sited resources to the future of California's energy system, CESA supports the creation of this proceeding to focus on DER customer programs. We look forward to active participation in this proceeding and offer our comments herein on the proposed scope and schedule included in the OIR.

II. BACKGROUND & INTEREST IN PROCEEDING.

CESA is a 501c(6) membership-based advocacy group committed to advancing the role of energy storage in the electric power sector through policy development, education, outreach, and research. With over 90 companies represented in the energy storage ecosystem, CESA has a direct and deep interest in the proceeding in shaping the policies, procedures, and rules that affect the deployment of customer-sited DERs such as energy storage. CESA also has been an active participant in the predecessor rulemaking on Integrated Distributed Energy Resources ("IDER") (R.14-10-003) and related rulemakings, such as the proceedings to Advance Demand Flexibility Through Electric Rates (R.22-07-005), Self-Generation Incentive Program ("SGIP") (R.20-05-012, R.12-11-005), Microgrids and Resiliency (R.19-09-009), Reliable Electric Service in Extreme Weather (R.20-11-003), and a High DER Future (R.21-06-017), among others.

III. PRELIMINARY SCOPING MEMO.

As discussed above, CESA is generally supportive of the OIR and the Preliminary Scoping Memo, particularly for Phase 1 of this proceeding. CESA agrees that it is the responsibility of the Commission to ensure that funds, especially ratepayer funds, are spent prudently in customer programs, either by providing benefits that exceed the cost of funds being spent or by supporting state goals, such as equity, electric reliability, or environmental goals that warrant spending. At the same time, further discussion will be needed around the appropriate standardization of cost-effectiveness methodologies for different technologies, as well as the consideration of how to

incorporate bundled or emerging technologies. CESA also agrees that an important part of both unlocking the full benefits of DERs and enabling additional adoption of DERs by customers is having, “consistent, accessible data requirements and reporting tools, clear guidelines for data access, and updated requirements for customer privacy.”³ CESA looks forward to participating in the Data Working Group to discuss how to appropriately share DER data with different stakeholders in order to gain better visibility into the operation of customer DERs for program measurement and verification, as well as marketing, education, and outreach.

CESA does believe that Phase 2 of this proceeding discussing Equipment Performance Standards will warrant significant stakeholder discussion and very careful consideration of how to balance consumer choice, needs, and maintaining a fair DER marketplace with ensuring that ratepayer funds are not spent on “devices with limited or inferior capabilities, unreasonable restrictions on data use, proprietary software, limited access to communications, or other attributes that could limit their usefulness.”⁴ We look forward to discussing these issues further in Phase 2 of this proceeding, which CESA understands will begin in 2024.

IV. CATEGORIZATION, HEARINGS, AND SCHEDULE.

CESA supports the categorization of this proceeding and agrees with the preliminary determination to find a need for evidentiary hearings.

V. NOTICES.

Services of all notices and communications in this proceeding should be directed to the following CESA representative:

³ OIR at 12.

⁴ OIR at 24.

Jin Noh
Policy Director
CALIFORNIA ENERGY STORAGE ALLIANCE
10265 Rockingham Dr.
Suite #100-4061
Sacramento, CA 95827
Telephone: (510) 665-7811
Email: cesa_regulatory@storagealliance.org

VI. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the OIR and looks forward to working with the Commission and other stakeholders in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jin Noh', is positioned above the typed name and title.

Jin Noh
Policy Director
CALIFORNIA ENERGY STORAGE ALLIANCE

Date: January 9, 2023