

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

Order Instituting Rulemaking to  
Oversee the Resource Adequacy  
Program, Consider Program Reforms  
and Refinements, and Establish  
Forward Resource Adequacy  
Procurement Obligations.

Rulemaking 21-10-002  
(Filed October 7, 2021)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE  
ON THE PROPOSED DECISION ON PHASE 2 OF THE RESOURCE  
ADEQUACY REFORM TRACK**

Jin Noh  
Policy Director

Sergio Dueñas  
Policy Manager

Alondra Regalado  
Policy Analyst

**CALIFORNIA ENERGY STORAGE ALLIANCE**  
10265 Rockingham Dr. Suite #100-4061  
Sacramento, California 95827  
Telephone: (510) 665-7811  
Email: [cesa\\_regulatory@storagealliance.org](mailto:cesa_regulatory@storagealliance.org)

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ON THE PROPOSED DECISION ON PHASE 2 OF THE RESOURCE  
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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 the *Proposed Decision on Phase 2 of the Resource Adequacy Reform Track* (“Proposed Decision” or “PD”) issued by Administrative Law Judges (“ALJ”) Debbie Chiv and Shannon O’Rourke on March 3, 2023.

**I. INTRODUCTION.**

CESA appreciates the opportunity to provide feedback and responses to the opening comments on the PD that parties to this proceeding submitted March 23<sup>rd</sup>, 2023. In our review of opening comments, it was apparent that a significant number of parties hope the Commission will provide much needed clarification on a number of issues regarding the interaction between energy storage assets and variable energy resource (“VER”) within the Resource Adequacy (“RA”) framework. As such, CESA’s reply comments can be summarized as follows:

- The Commission should modify the PD’s language to note that paired resources encompass both hybrid and co-located configurations.
- The Commission should clarify that an energy-only (“EO”) VER that is paired with a fully deliverable storage component can contribute to the charging sufficiency of said storage asset regardless of whether the storage component of the paired asset can charge from the grid or not.

- The Commission should allow EO or, *ad minimum*, off-peak deliverability status (“OPDS”) resources, to contribute to the standalone energy storage charging sufficiency verification.
- The Commission should adopt the proposal made by the Solar Energy Industries Association (“SEIA”) regarding DC-coupled paired assets.
- The Commission should modify the PD to reject consideration of Clean Power Alliance’s (“CPA”) proposed logic for the load-serving entity (“LSE”) showing tool.
- The Commission should adopt the recommendation to make multiple cycles the default value for RA-providing storage resources within the Master Resource Database (“MRD”).

**II. THE COMMISSION SHOULD MODIFY THE PD’S LANGUAGE TO NOTE THAT PAIRED RESOURCES ENCOMPASS BOTH HYBRID AND CO-LOCATED CONFIGURATIONS.**

In opening comments, the Independent Energy Producers Association (“IEP”) suggests the Commission modify the language included in the PD to accurately reflect that CESA’s proposal regarding EO VERs in a paired configuration would apply to both hybrid and co-located resources.<sup>1</sup> To reflect this edit, IEP suggest modifying Ordering Paragraph (“OP”) 7.<sup>2</sup> CESA strongly agrees with this modification as it best translates the intent behind CESA’s proposal; that is, to be applicable to all paired resources, be them hybrid or co-located. As such, we support IEP’s proposed modification to the language of the PD, specifically to OP 7.

**III. THE COMMISSION SHOULD CLARIFY THAT AN EO VER THAT IS PAIRED WITH A FULLY DELIVERABLE STORAGE COMPONENT CAN CONTRIBUTE TO THE CHARGING SUFFICIENCY OF SAID STORAGE ASSET REGARDLESS OF WHETHER THE STORAGE COMPONENT OF THE PAIRED ASSET CAN CHARGE FROM THE GRID OR NOT.**

In opening comments a number of parties supported the Commission’s adoption of CESA’s proposal to allow EO VERs in a paired configuration to contribute to the charging sufficiency of

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<sup>1</sup> IEP Comments, at 4.

<sup>2</sup> IEP Comments, at A-2.

on-site storage. Crucially, just like CESA, some of these parties noted that the intent of CESA’s proposal was for it to apply regardless of whether the storage component of the paired asset can charge from the grid or not. As noted by AES, the Commission must clarify that an EO VER paired with storage may count towards the storage charging sufficiency requirement regardless of the grid charging restriction; that is, both when the storage has grid charging limitation, and when the storage has no grid charging limitation.<sup>3</sup>

IEP makes a similar argument, noting that the position to allow EO generation paired with storage to count toward internal charging sufficiency for facilities with or without exclusive on-site charging restrictions has been previously supported by both CESA and Pacific Gas & Electric (“PG&E”) in comments.<sup>4</sup> IEP goes further, spelling out how this mechanism could work for those paired assets that can charge from the grid. IEP notes that Paired energy storage systems that indicate an intent to engage in mixed charging will generally use the on-site generation to fully charge to the extent possible, and, if there is a residual need for charging sufficiency beyond the amount the on-site generation is expected to provide, the load-serving entity should be required to show sufficient off-site generation (meeting the otherwise applicable deliverability requirements) to fulfill the residual charging need.<sup>5</sup>

CESA strongly agrees with the arguments made by both AES and IEP, as they largely reflect the positions shared by CESA and PG&E previously. As such, we support this clarification and the modifications to OP 7 as reflected in IEP opening comments.<sup>6</sup>

**IV. THE COMMISSION SHOULD ALLOW EO VERS OR, AD MINIMUM, OPDS RESOURCES, TO CONTRIBUTE TO THE STANDALONE ENERGY STORAGE CHARGING SUFFICIENCY VERIFICATION.**

In opening comments AES notes that the Commission should carefully consider CESA’s concerns regarding charging sufficiency requirements for LSEs as they relate to standalone energy storage.<sup>7</sup> AES notes that there is room for improvement in designing the charging sufficiency rules and urges the Commission to monitor the LSE’s charging sufficiency metric during the test year

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<sup>3</sup> AES Comments, at 2.

<sup>4</sup> IEP Comments, at 3.

<sup>5</sup> *Ibid.*

<sup>6</sup> *See* IEP Comments, at A-2.

<sup>7</sup> AES Comments, at 3-4.

and consider enhancing these rules in future RA reform tracks.<sup>8</sup> CESA wholeheartedly agrees as the policy regarding standalone storage charging sufficiency will likely have material effects on two constrained and related markets: RA and deliverability.

Currently, despite conversation during the Workstream process and a number of parties weighing on the matter, the PD provides little clarity regarding the deliverability status that an asset must have to contribute to an LSEs standalone storage charging sufficiency verification. In this context, CESA urges the Commission to consider the arguments and language proposed by IEP in their opening comments. IEP argues that it would be reasonable to allow resources with OPDS to also count toward charging sufficiency for standalone energy storage.<sup>9</sup> Moreover, IEP offers new Findings of Fact (“FOF”), Conclusions of Law (“COL”) and OP to reflect this modification.<sup>10</sup> CESA supports this proposal as an alternative to our EO VER proposal. As such, we recommend the Commission modify the PD to clearly adopt either our EO VER proposal or IEP’s proposal to allow resources with full capacity deliverability status, partial capacity deliverability status, interim deliverability status, or off-peak deliverability status to count toward the charging sufficiency requirements for standalone energy storage systems or to supplement charging needs for paired storage facilities with mixed charging.

**V. THE COMMISSION SHOULD ADOPT THE PROPOSAL MADE BY THE SOLAR ENERGY INDUSTRIES ASSOCIATION (“SEIA”) REGARDING DC-COUPLED PAIRED ASSETS.**

In opening comments SEIA notes that the Commission finds that DC-coupled hybrids cannot be accommodated under the RA program, because “the Commission does not have the ability to capture the data required from DC-coupled systems (i.e., project’s inverter loading ratio, engineering estimate of internal losses),” such that a proposal to incorporate them “is not implementable at this time.”<sup>11</sup> To remedy this, SEIA proposes that a project that wishes to use a DC-coupled configuration readily provides the necessary data in order to secure the significant

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<sup>8</sup> *Ibid*, at 4.

<sup>9</sup> IEP Comments, at 3-4.

<sup>10</sup> *See* IEP Comments, at A-1 to A-2.

<sup>11</sup> SEIA Comments, at 3.

benefit of providing RA-eligible capacity, which will be no different than that needed for AC-coupled systems.<sup>12</sup> CESA supports this proposal and encourages the Commission to reflect its adoption in the PD.

**VI. THE COMMISSION SHOULD MODIFY THE PD TO REJECT CONSIDERATION OF CPA'S PROPOSED LOGIC FOR THE LSE SHOWING TOOL.**

In opening comments Southern California Edison (“SCE”) argues that the Commission should reconsider the PD’s proposal to integrate CPA’s energy storage sufficiency logic into SCE’s LSE Showing Tool because the proposal is predicated upon a false assumption that energy storage in LSE showings will largely, or entirely, be single cycle.<sup>13</sup> Instead, SCE submits that the Commission’s final decision should require the LSE Showing Tool to incorporate a more robust multiple-cycle logic.<sup>14</sup> CESA, for all the reasons presented in our comments during the Workstream meetings, in the Workstream Report, and in comments and replies to said Report, as well as opening comments to the PD, emphatically agrees with SCE. CPA’s tool is unwarranted and will not provide added certainty or reliability; instead, the Commission should work with parties to strengthen the multi-cycle logic for storage assets. Importantly, the Commission should not conflate strengthening multi-cycle logic with developing the relevant rules and procedures to successfully include multi-day energy storage, as CESA noted within our opening comments.

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<sup>12</sup> *Ibid.*

<sup>13</sup> SCE Comments, at 6.

<sup>14</sup> SCE Comments, at 6-7.

**VII. THE COMMISSION SHOULD ADOPT THE RECOMMENDATION TO MAKE MULTIPLE CYCLES THE DEFAULT VALUE FOR RA-PROVIDING STORAGE RESOURCES WITHIN THE MRD.**

In opening comments, SCE argues that for the purposes of including default values in the MRD, the default cycling field for battery energy storage systems (“BESS”) should be changed from a single cycle per day to multiple cycles per day. CESA agrees with this proposal as it aligns with comments we have previously made within this proceeding. While the Commission should adopt this proposal, the PD should also include clarification that, as noted within the Integrated Resource Planning (“IRP”) proceeding, only resources that are able to continuously dispatch at their rated maximum power output (“Pmax”) for eight or more hours would be able to meet the long-duration energy storage (“LDES”) procurement requirements set forth in that proceeding. This clarification is warranted given the fact that much work remains to be done to ensure alignment in the market signals sent in the present proceeding and the IRP proceeding. Just as others noted in opening comments, CESA looks forward to working with the Commission and all parties to both of the aforementioned proceedings to bolster their alignment.

**VIII. CONCLUSION.**

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

Respectfully submitted,



Jin Noh  
Policy Director  
CALIFORNIA ENERGY STORAGE ALLIANCE

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