

**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 PROPOSED DECISION GRANTING PETITION FOR MODIFICATION OF THE
SELF-GENERATION INCENTIVE PROGRAM ADMINISTRATORS OF DECISION
D.11-09-015 TO PROVIDE A MAXIMUM OF THREE EXTENSIONS
OF THE RESERVATION EXPIRATION DATE**

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April 27, 2015

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OF THE RESERVATION EXPIRATION DATE**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) The California Energy Storage Alliance (“CESA”)¹ hereby submits these comments on the *Proposed Decision Granting Petition for Modification of the Self-Generation Incentive Program Administrators of Decision D.11-09-015 to Provide a Maximum of Three Extensions of the Reservation Expiration Date*, issued April 6, 2015 (“Proposed Decision”).

¹ 1 Energy Systems Inc., Abengoa, Advanced Microgrid Solutions, AES Energy Storage, Aquion Energy, ARES North America, Brookfield, Chargepoint, Clean Energy Systems, CODA Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Duke Energy, Dynapower Company, LLC, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, ELSYS Inc., Energy Storage Systems, Inc., Enersys, EnerVault Corporation, Enphase ENERGY, EV Grid, Flextronics, GE Energy Storage, Green Charge Networks, Greensmith Energy, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, IMERGY Power Systems, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, K&L Gates, LG Chem Power, Inc., LightSail Energy, Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Manatt, Phelps & Phillips, LLP, Mitsubishi Corporation (Americas), Mobile Solar, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, Powertree Services Inc., Primus Power Corporation, Princeton Power Systems, Recurrent Energy, Renewable Energy Systems Americas Inc., Rosendin Electric, S&C Electric Company, Saft America Inc., Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Sony Corporation of America, Sovereign Energy, STEM, SunEdison, SunPower, Toshiba International Corporation, Trimark Associates, Inc., Tri-Technic, Wellhead Electric. (www.storagealliance.org).

I. INTRODUCTION.

CESA supports approval of the Proposed Decision Granting the Petition for Modification (“Petition”), and makes two recommendations that should substantially improve upon the likelihood of effective administration of the Self-Generation Incentive Program (“SGIP”) policy Commission direction provided regarding the process for approval of extension of reservations sought by the Program Administrators (“PAs”).

First, CESA advocates for including a presumption that delay caused by inability to obtain timely interconnection approvals should be included in the final decision. Requiring project sponsors to prove with technical evidence that interconnection delay was not implicated is simply impossible as a practical matter.

Second, CESA advocates that the final decision should allow the SGIP Working Group to accept justifications for approving reservation extensions to be made by a majority vote of the Working Group, instead of requiring unanimity in all cases where approval of an extension is requested.² It would be unprecedented and simply unfair to give a single PA veto power over such an important decision without a very good reason.

II. PROJECTS THAT HAVE BEEN DELAYED DUE TO INABILITY TO OBTAIN PERMISSION TO OPERATE FROM THE INTERCONNECTING UTILITY SHOULD BE ENTITLED TO A REBUTTABLE PRESUMPTION OF ELIGIBILITY FOR A RESERVATION SCHEDULE EXTENSION.

It is generally recognized that many projects for Advanced Energy Storage (“AES”) have faced particularly extended interconnection delay due to the novelty of the issues raised by AES

² The Commission delegated its authority for administration of the SGIP to an “SGIP Working Group” in D.01-03-073, issued March 27, 2001, based upon petitions by the Working Group from time-to-time as required to further the goals of the SGIP, subject to general policy guidance provided by the Commission. The Working Group is comprised of representatives of Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), Southern California Gas Company (“SoCalGas,” and the Commission’s Energy Division.

and the need for the utilities to fully understand the impacts and ramifications of bi-directional grid-connected AES.³ Basic fairness dictates that sponsors of those projects should not pay the draconian penalty of loss of their incentive reservations on top of the already incurred overhead and projects costs they have expended as a consequence.

Interconnection applications for AES systems have encountered numerous delays that are not typical of other resources that are unidirectional.⁴ Novelty alone has required utilities to develop new internal administrative review and approval processes taking 2 years or more to evaluate in some cases. CESA has submitted, and recommends again here that these circumstances outside of the control of reservation holders should justify a presumption of eligibility for such projects to be granted additional time needed to meet their initial or extended reservation claim deadlines which may in fact be beyond a single 6 month 3rd extension.⁵

The Proposed Decision does not address CESA's view on this point at all, and CESA urges the Commission to do so in its final decision.

III. INSTEAD OF REQUIRING UNANIMITY AS PROPOSED IN THE PETITION, A SIMPLE MAJORITY OF THE PROGRAM ADMINISTRATORS SHOULD BE REQUIRED TO APPROVE SCHEDULE EXTENSION REQUESTS.

The Petition provides no justification, or even explanation, why a determination to approve a reasonable request for a reservation extension must be by unanimous vote of the

³ See, e.g., *Motion of the California Energy Storage Alliance for Expedited Consideration of Petition for Modification of D.11-09-015*, filed December 2, 2014.

⁴ See, e.g., CAISO's Energy Storage Roadmap, "Powertree is preparing to provide grid services to the wholesale market. This installation is one of the first of its type seeking to directly participate in the wholesale market and is exposing gaps and needs for interpretation in the current distribution interconnection process. The process has taken significantly more time than expected and has resulted in extensive studies, equipment reviews, duplicative metering and other equipment required by the existing processes," p. 11.

⁵ CESA's Comments on Petition, filed December 14, 2015, noted that, "CESA additionally requests that the Commission direct Energy Division staff to provide written guidance to the program administrators and rebuttable presumption of eligibility for projects that have been affected by interconnection delays.

Working Group. It is not hard to see why such a compromise might have been needed to gain approval by all of the PA's in order to make the decision to file the Petition in the first place a unanimous one. On the other hand, there is no reason at all for the Commission to go along with placing veto power over consensus arrived at by the Working Group in the hands of a single recalcitrant PA who may have conflicting business interests with a particular SGIP applicant even in another utility's territory.

There has never been a single case of a unanimity requirement having been imposed on any action in the hands of the Working Group. In the first place the fundamental operating philosophy of the Working Group has been to develop consensus on policy determination to be made at its level. More importantly, it would be absurd to allow a single PA to thwart the will of the rest of the PA's – specifically supported by a representative of the Commission's Energy Division.

IV. CONCLUSION.

CESA thanks the Commission for the opportunity to submit these comments on the Proposed Decision, urges the Commission to adopt CESA's recommendations regarding reservation extensions due to interconnection delays and approval of extensions by majority vote of the PAs.

Respectfully submitted,



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April 27, 2014