

**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)

**NOTICE OF EX PARTE COMMUNICATIONS OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE**

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March 5, 2020

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In accordance with Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby gives notice of *ex parte* meetings held to discuss issues involved in the above-captioned proceeding as well as in Rulemaking (“R.”) 17-09-020. Each meeting took place at the Commission’s headquarters at 505 Van Ness Avenue, San Francisco, CA 94102 and lasted approximately 30 minutes with the following individuals:

- Wednesday, March 4, 2020 at 1:30pm PST with Suzanne Casazza and Anand Durvasula, Legal and Policy Advisors to Commissioner Liane Randolph, and Jason Ortego, Policy Advisor to Commissioner Liane Randolph
- Wednesday, March 4, 2020 at 3:00 pm PST with David Peck, Interim Energy Advisor to President Marbyel Batjer

Jin Noh, Senior Policy Manager of CESA, initiated the meeting. The CESA representatives in attendance were Alex Morris, Executive Director, and Jin Noh.

For both meetings, Mr. Morris began with a discussion on how energy storage resources will play an important role in meeting the procurement requirements as directed by Decision (“D.”) 19-11-016 in the Integrated Resource Planning (“IRP”) proceeding (R.16-02-007). To meet a commercial operation date (“COD”) of August 1, 2021 for some energy storage projects in the

process of being procured, Mr. Morris explained the typical project milestones involved in bringing an energy storage project online. Given these timelines, Mr. Morris discussed how important it will be for the Commission to approve new energy storage contracts in a timely manner and recommended an expedited 30-day approval of executed energy storage contracts submitted for approval to the Commission, similar to what was done for the Aliso Canyon energy storage contracts approval. Mr. Noh added that, in addition to contract terms, the procurement review group (“PRG”) independent evaluator (“IE”) are in place to provide sufficient guardrails at this time to support expedited contract approval. Finally, going forward, Mr. Noh discussed how future competitive solicitations and new interconnection applications likely need to begin next year if the Commission wants to achieve orderly procurement to address needs in 2024-2026.

Next, for both meetings, Mr. Morris and Mr. Noh discussed CESA’s Joint Petition for Modification (“PFM”) of D.20-01-004 in the Resource Adequacy (“RA”) proceeding (R.17-09-020). Mr. Noh outlined the Petitioners’ concerns with the decision establishing an interim qualifying capacity (“QC”) methodology regarding its impacts on procurement certainty and ongoing contract negotiations and failing to reflect differences between single and multiple resource ID configurations.

Slides were shared in both meetings and are attached.

Respectfully submitted,



Alex J. Morris
Executive Director
CALIFORNIA ENERGY STORAGE ALLIANCE

March 5, 2020

Attachment A:
Expedited Contract Approval

Expedited Contract Approval

CESA – CPUC Ex Parte

March 4, 2020



1



Energy Storage for System Reliability in California

Energy storage will be crucial to achieve 2021 IRP System Reliability Procurement goals.

- Typical six month or longer CPUC approval process will push online dates beyond August 1, 2021
- Projects must be 100% permitted, with executed or near final interconnection agreements
- Typical Construction time ~ 12 Months for 100 MW and larger Battery Energy Storage projects
- Long Lead Time Equipment orders (Transformers, Racks, and Batteries) require 9 months advance purchase
- Initial Delivery Date must be 60 days prior to COD in order to meet RA filing requirements
- CPUC Tier 3 Advice Letter approval process of more than 2 months will jeopardize timely Aug 1, 2021 completion Historically, this process has taken 6 to 9 months

2

Energy Storage for System Reliability in California

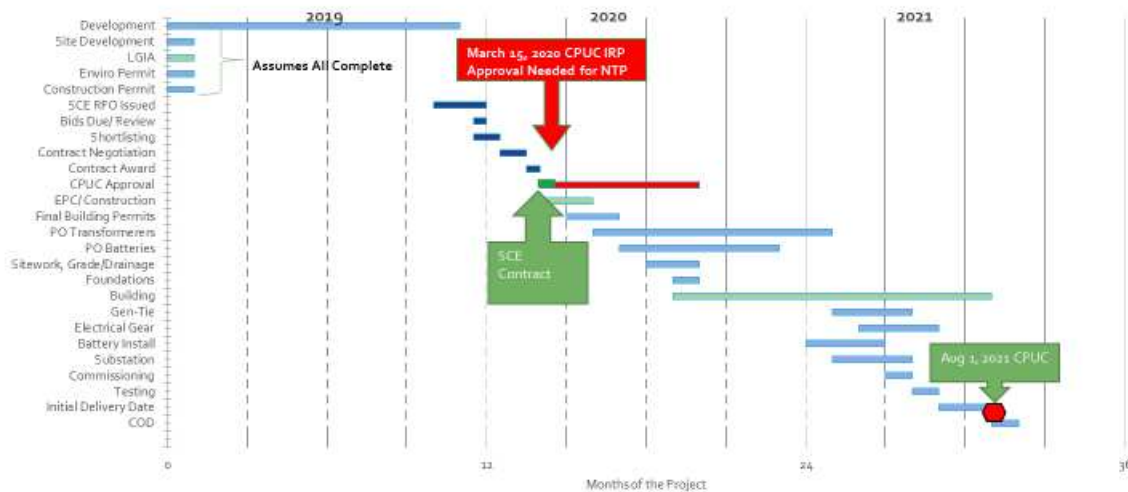
August 1, 2021 COD requires CPUC approval no later than March 15, 2020

Precedents for expedited contract approval:

- SDG&E Advice Letter 2924-E (U 902-E) San Diego Gas & Electric Company seeks approval of two (2) Engineering, Procurement, and Construction (“EPC”) contracts with AES Energy Storage
- SCE Advice Letter 3454-E (U338-E) Santa Paula 1 “ES” Contract for Expedited Review & Approval (30 Days)

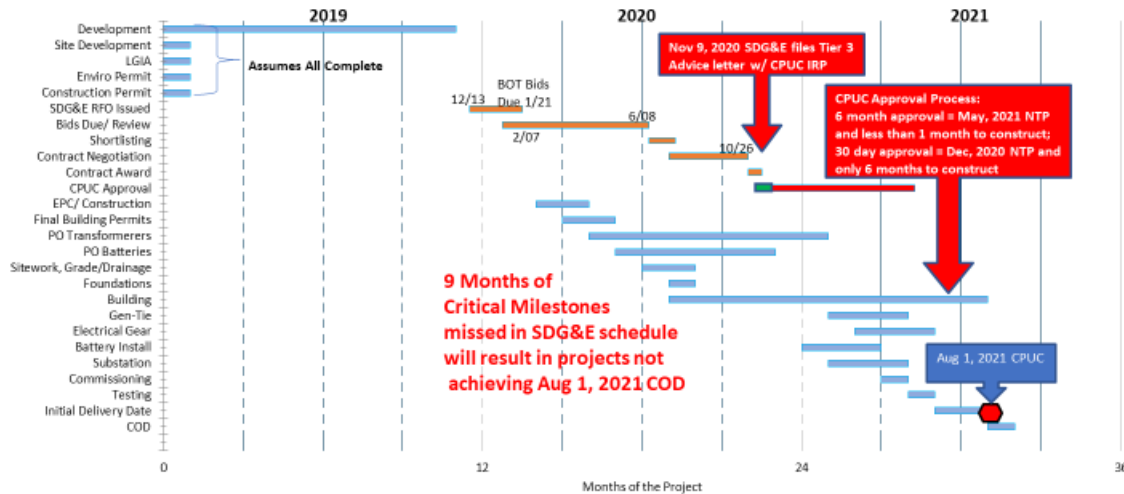
3

Critical milestones for timely deployment : SCE



4

Critical milestones for timely deployment: SDG&E



Lead Times for Future Procurement

Going forward, for most cost-competitive outcomes, procurement must be initiated with more lead time to support interconnection, approval, and build timelines

Illustrative/example timeline below:

