

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

Order Instituting Rulemaking to Oversee  
the Resource Adequacy Program, Consider  
Program Refinements, and Establish  
Annual Local and Flexible Procurement  
Obligations for the 2019 and 2020  
Compliance Years.

Rulemaking 17-09-020  
(Filed September 28, 2017)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE  
ON THE PROPOSED DECISION DENYING PETITIONS FOR MODIFICATION OF  
DECISION 19-06-026, DECISION 19-02-022, AND DECISION 20-01-004**

Alex J. Morris  
Executive Director

Jin Noh  
Senior Policy Manager

**CALIFORNIA ENERGY STORAGE ALLIANCE**  
2150 Allston Way, Suite 400  
Berkeley, California 94704  
Telephone: (510) 665-7811  
Email: [cesa\\_regulatory@storagealliance.org](mailto:cesa_regulatory@storagealliance.org)

August 24, 2020

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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 to the *Proposed Decision Denying Petitions for Modification of Decision 19-06-026, Decision 19-02-022, and Decision 20-01-004* (“PD”), filed by Administrative Law Judges (“ALJs”) Debbie Chiv on July 30, 2020.

**I. INTRODUCTION.**

CESA appreciates the Commission’s timely action to adopt appropriate definitions of “hybrid resource” and the development of a qualifying capacity (“QC”) methodology for hybrid and co-located resources with the issuance of Decision (“D.”) 20-06-031. Given the significant interconnection queue of such resources and the System Resource Adequacy (“RA”) needs in 2021-2023, this decision resolves some of the key requests in the Joint Parties’ Petition for Modification (“PFM”) to modify D.20-01-004, submitted on February 11, 2020. CESA thus agrees that the PFM may now be moot to a large degree. However, CESA encourages the Commission to

continue to refine the QC methodologies for hybrid and co-located resources in Track 3 of the new RA proceeding, R.19-11-009.

**II. THE COMMISSION SHOULD CONTINUE REFINEMENTS TO THE QC METHODOLOGY FOR HYBRID AND CO-LOCATED RESOURCES.**

While key progress was made with the issuance of D.20-06-031 to the QC value of in-front-of-the-meter (“IFOM”) hybrid and co-located resources, further refinements are necessary to ensure the effective implementation of the adopted QC methodologies as well as to develop methodologies for a number of other use cases that were identified in the Hybrid QC Working Group Report, submitted in March 2020. In terms of implementation of the adopted methodology in D.20-06-031, CESA believes that methodologies or tools need to be discussed and developed to recognize the specific project configuration of the renewable resource, such as the specific location, topography, orientation (*e.g.*, south- versus west-facing solar), design (*e.g.*, AC versus DC design), energy storage duration beyond four hours, or technology of the paired solar and wind resource. Project-specific generation profiles more accurately reflects the QC values of different project configurations and technology combinations and better provides the signals to develop the types of projects that provide greater capacity value to the grid. A working group should be convened to address these implementation matters.

Furthermore, the Hybrid QC Working Group was only able to reach consensus on one use case where the storage is 100% charged from the onsite renewable generator. Other use cases are not yet addressed, such that CESA presumes the interim methodology as adopted in D.20-01-004 still applies. Other use cases of hybrid and co-located resources that do not involve 100% charging from the onsite generator are still left unaddressed, where follow-up discussions and activities from the working group may be beneficial, especially as the federal investment tax credits (“ITC”)

ratchet down over time. As a result, this type of hybrid or co-located resource configuration may increase in prevalence in the coming years.

With all that said, CESA greatly appreciates the Commission's consideration of the Joint Parties' PFM and improvements made to the QC methodology via the adoption of D.20-06-031.

### **III. CONCLUSION.**

CESA appreciates the opportunity to submit these comments to the PD and looks forward to working with the Commission and stakeholders in R.19-11-009.

Respectfully submitted,



Alex J. Morris  
Executive Director  
**CALIFORNIA ENERGY STORAGE ALLIANCE**

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