

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

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development, of
California Renewables Portfolio Standard
Program.

Rulemaking 18-07-003
(Filed July 12, 2018)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE PROPOSED DECISION RESUMING AND MODIFYING THE RENEWABLE
MARKET ADJUSTING TARIFF PROGRAM**

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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 Resuming and Modifying the Renewable Market Adjusting Tariff Program* (“PD”), issued by Administrative Law Judge (“ALJ”) Manisha Lakhanpal on August 21, 2020.

I. INTRODUCTION.

CESA generally supports the PD’s resumption of the Renewable Market Adjusting Tariff (“ReMAT”) Program that will encourage the development of small renewable generation facilities in compliance with the Public Utility Regulatory Policies Act (“PURPA”) and §399.20 of the Public Utilities Code. The re-launch of the ReMAT will support the development of projects that will advance the state’s progress toward its decarbonization goals. However, the PD errs in deeming the pairing of energy storage to eligible renewable generation facilities as being outside the scope of the Ruling issued on June 26, 2020 with a *Staff Proposal for Modification to the ReMAT Program* (“Staff Proposal”), where the consideration of the incorporation of storage

capabilities in the program may be contemplated later in this proceeding.¹ To this point, the investor-owned utilities (“IOUs”) expressed in their joint opening comments to the PD that the decision be modified to include an express finding to affirm as such.²

CESA disagrees and instead recommends that the Commission modify the decision to instead add an express Finding of Fact (“FOF”) affirming that hybrid generation facilities are eligible for participation in the ReMAT Program. Specifically, we recommend the following:

New FOF: As-available peaking facilities that incorporate energy storage capabilities and charge exclusively from onsite generation shall be considered eligible to participate in the ReMAT Program.

This new FOF would be consistent with the state’s goals as well as the requirements and intent of the ReMAT Program.

II. THE ELIGIBILITY OF STORAGE PAIRED WITH QUALIFIED FACILITIES IN THE REMAT PROGRAM SHOULD BE EXPLICITLY CLARIFIED IN THE PROPOSED DECISION.

Given current market and grid conditions, CESA believes that the ReMAT Program should incentivize the development of projects that provide the greatest value, where hybrid and co-located generation facilities paired storage can enhance the capacity and deliver dispatchable peaking energy of renewable facilities. Without explanation, the PD deems the incorporation of storage capabilities as outside the scope and the IOUs seek to affirm the prohibition of storage in the ReMAT Program. The IOUs point to the potential gaming of hybrid generation facilities through the election of the specific product categories with higher pricing and the lack of their ability to enforce a shaped generation profile.³ CESA believes that this issue is moot with the

¹ PD at 38-39.

² Joint IOU comments at 13.

³ *Ibid.*

adoption of updated time of delivery (“TOD”) factors that properly incentivize ReMAT projects to configure and develop projects that delivery energy during the most valuable periods. Otherwise, it is unclear why the TOD factors should be used if not to incentivize shaped and dispatchable generation with storage to deliver energy for their time-differentiated value to the grid. Furthermore, technical capabilities are in place to apply operational restrictions to a shaped generation profile, similar to how power control systems and/or relays are used to enforce that non-grid-charging provisions or investment tax credit (“ITC”) related compliance.

To this end, CESA agrees with Green Power Institute (“GPI”) that the inclusion of co-located storage is an “urgent need for this program feature now” and not until a later phase of this proceeding.⁴ Given the state’s need for peaking energy, the Commission should enable storage participation in the ReMAT Program given the value of energy storage to respond to TOD factors and configure/develop projects to provide the most value to the grid.

III. CONCLUSION.

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

Respectfully submitted,



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⁴ GPI comments at 10.