

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

Order Instituting Rulemaking to
Implement Senate Bill 520 and
Address Other Matters Related to
Provider of Last Resort.

Rulemaking 21-03-011
(Filed March 18, 2021)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE
ORDER INSTITUTING RULEMAKING TO IMPLEMENT SENATE BILL 520 AND
ADDRESS OTHER MATTERS RELATED TO PROVIDER OF LAST RESORT**

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April 26, 2021

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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 on the *Order Instituting Rulemaking to Implement Senate Bill 520 and Address Other Matters Related to Provider of Last Resort* (“OIR”), issued by the Joint Commissioners on March 18, 2021.

I. INTRODUCTION.

CESA supports the Commission’s issuance of this OIR to develop the process, procedures, and rules for transitioning customers to the Provider of Last Resort (“POLR”) and consider the circumstances in which customers may transition to another load-serving entity (“LSE”). Given the growing number of LSEs and the significant new resource procurement required to meet the state’s near- and long-term decarbonization goals and reliability objectives, the POLR framework needs to be clear, fairly and efficiently allocate costs, and provide certainty for long-term resource contracts. CESA thus looks forward to being an active participant in this proceeding.

II. BACKGROUND & INTEREST IN PROCEEDING.

CESA is a 501c(6) membership-based advocacy group committed to advancing the role of energy storage in the electric power sector through policy development, education, outreach, and research. With over 95 companies represented in the energy storage ecosystem, CESA has a direct interest in the proceeding in shaping the policies, procedures, and rules for energy storage projects that could be impacted by the POLR framework adopted and/or modified herein. CESA also has been an active participant in related rulemakings, such as the proceedings for Integrated Resource Planning and Procurement (R.20-05-003), Resource Adequacy (R.19-11-009), Renewables Portfolio Standard (R.18-07-003), Microgrids (R.19-09-009), and Reliable Electric Service in Extreme Weather (R.20-11-003).

III. PRELIMINARY SCOPING MEMO.

At this stage, CESA supports the scope as outlined in the Preliminary Scoping Memo. Specifically, related to the proposed Phase 1 issues considering POLR requirements to ensure continuity of service in the event of LSE failure, CESA strongly supports inquiry and discussion on the preliminary questions included in Appendix B (Question 5), where the Commission asks about the roles, responsibilities, and processes for the POLR assuming the LSEs' long-term resource contracts. Significant procurement is being directed or being considered to be ordered as part of R.20-05-003 and R.19-11-009 such that certainty is needed on the impact to long-term resource contracts, such as those for energy storage, under the existing or modified POLR framework, if a community choice aggregator ("CCA") or energy service provider ("ESP") fails to meet their LSE obligations or faces bankruptcy, insolvency, and/or financial troubles. Without certainty in this regard, developers may find risk in developing new projects in California, leading to reduced market participation and/or higher ratepayer costs.

IV. CATEGORIZATION, HEARINGS, AND SCHEDULE.

CESA supports the proposed schedule and categorization of this proceeding.

V. NOTICES.

Services of all notices and communications in this proceeding should be directed to the following CESA representative:

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VI. CONCLUSION.

CESA appreciates the opportunity to these comments on the OIR and looks forward to working with the Commission and other stakeholders in this proceeding.

Respectfully submitted,



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Date: April 26, 2021