

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

Order Instituting Rulemaking to Consider Policy and Implementation Refinements to the Energy Storage Procurement Framework and Design Program (D.13-10-040, D.14-10-045) and related Action Plan of the California Energy Storage Roadmap.

Rulemaking 15-03-011
(Filed on March 26, 2015)

**REPLY TO PETITION FOR MODIFICATION OF DECISION 17-04-039 OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE TO ADDRESS HYBRID AND CO-
LOCATED RESOURCES**

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April 29, 2021

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In accordance with Rule 16.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits this reply to responses submitted on *Petition for Modification of Decision 17-04-039 of the California Energy Storage Alliance to Address Hybrid and Co-Located Resources* (“Petition”) seeking modifications on Decision (“D.”) 17-04-039 issued on May 8, 2017 in Rulemaking (“R.”) 15-03-011. Pursuant to Rule 16.4(g), Administrative Law Judge (“ALJ”) issued a ruling granting CESA’s request to submit a reply to parties’ responses to the Petition by April 29, 2021.

I. INTRODUCTION.

In the Petition, CESA explained that clarification is needed regarding the treatment of station power for hybrid and co-located resources in light of their growing proliferation and because they face significant uncertainty and potential material harms if existing rules are inappropriately and inequitably applied. Specifically, CESA respectfully requested that the

Commission issue a Proposed Decision as soon as possible to modify D.17-04-039 and D.18-01-003 as follows:

- Affirm that the rules for standalone in-front-of-the-meter (“IFOM”) energy storage, including the permitted netting rules, apply equally to hybrid and co-located resources.
- Affirm that hybrid and co-located resources have the right to self-supply their internal power needs, including station service, and avoid retail energy charges, as is the case with any conventional generator.
- Affirm that a single ‘high-side’ meter is sufficient for the purposes of delineating between wholesale and retail electricity draws.

Multiple parties submitted responses to the Petition on April 19, 2021, with the one area of agreement being that station power rules require clarification as it applies to hybrid and co-located resources. The California Independent System Operator (“CAISO”) and parties representing energy storage project developers agreed with the need to urgently address this matter by granting the Petition, whereas others sought more extensive processes and criticized the Petition as insufficiently addressing the complexities of the issues at hand. CESA disagrees with those who recommend the rejection of the Petition. Rather, in support of the Petition, CESA offers the following replies to the responses:

- Given the significant volume of hybrid and co-located projects currently being contracted and constructed, clarifications on their station power rules are urgently needed.
- A Petition is appropriate to narrowly clarify existing rules already litigated extensively in this rulemaking.
- Cost shifting arguments extend beyond the narrow scope of the Petition to ensure a level playing field for hybrid and co-located resources.
- Concerns about compatibility with the CAISO tariff have no merit since the Commission has jurisdictional authority over station power rules.

- Differences between hybrid and co-located resources are addressed in the Petition and the applicability of onsite self-supply can be addressed by the Commission.
- Both high-side and low-side meters are needed to measure energy throughput, but the high-side meter should be used to delineate between wholesale and retail charging.
- The proposed revisions of the Independent Energy Producers Association (“IEP”) should be accepted.

II. GIVEN THE SIGNIFICANT VOLUME OF HYBRID AND CO-LOCATED PROJECTS CURRENTLY BEING CONTRACTED AND CONSTRUCTED, CLARIFICATIONS ON THEIR STATION POWER RULES ARE URGENTLY NEEDED.

The volume of projects that have been contracted and are expected to come online over the 2021-2023 period and beyond are significant and warrant urgency on this issue. Table 1 of CESA’s Petition highlighted a sampling of such solar-plus-storage projects that are expected to be deployed in the next few years, with close to 1 GW of paired storage capacity having commercial online dates (“CODs”) in Summer 2021. American Clean Power Association (“ACP”) echoed the urgency of the matter in their response to the Petition, pointing to the multiple procurement orders directed by the Commission to address Summer 2021 reliability as well as near- and mid-term reliability needs due to System Resource Adequacy (“RA”) shortfalls tied to key generating facility retirements,¹ pursuant to D.19-11-016. Central to meeting the reliability needs is to ensure that contracted projects come online in a timely manner, which can be jeopardized by the material harm faced by projects inappropriately assessed with retail charges for station power that is self-supplied.

¹ ACP response at 3.

However, Southern California Edison Company (“SCE”) contends with the characterization of this issue as “urgent” such that a rulemaking process could be pursued to further weigh the record evidence and views the purported “harms” to projects being theoretical and unsubstantiated.² CESA finds these responses to be without merit for three key reasons. First, CESA does not believe that harm must be proven to receive equitable or comparable treatment to similarly-situated customers. Until station power rules are clarified in accordance with the requests in CESA’s Petition, hybrid and co-located projects are subject to case-by-case treatment on how existing rules for standalone generation and standalone storage projects are applied. The rules and interpretation of the rules are clear and consistent for standalone generation and standalone storage facilities and do not face the same uncertainty or potential for inappropriate station power treatment as is the case for hybrid and co-located projects today.

Second, CESA’s choice of words in the Petition (*e.g.*, “may” or “could”) to express possibilities, not certainties, related to material harm of the existing station power rules to hybrid and co-located projects was motivated by the case-by-case treatment on how existing rules for standalone generation and standalone storage projects are applied. In certain cases, the station power configurations and metering may be correctly interpreted and settled between the utility distribution company (“UDC”) and the developer; in other cases, they may not. In this sense, the material harms are not speculative but inconsistently extant depending on the negotiations between the UDC and the developer – an outcome that highlights the lack of clarity on the appropriate application of existing station power rules as it applies to hybrid and co-located projects and one that does not apply to standalone generation and standalone storage projects. The current case-by-case determinations are also not scalable or efficient, creating disputes and uncertainty that delay

² SCE response at 3-4.

projects when timely CODs of these projects are tantamount to near- and mid-term reliability. Worse, projects could be canceled as a result. Moreover, the status quo not only leads to inequitable outcomes for hybrid and co-located projects as a “resource type” as compared to standalone generation and standalone IFOM energy storage facilities, but it could also result in inequitable outcomes among hybrid and co-located projects where some benefit from the appropriate application of station power rules while others do not.

Third, even though CESA believes that harm does not need to be explicitly or specifically demonstrated to merit equitable or comparable treatment regarding station power, it should be obvious to SCE the material harm caused by inappropriately assessing retail charges on self-supplied power or grid-charged power in response to a CAISO dispatch. Projects currently being constructed and/or designed need clarity on this issue to properly design their hybrid and co-located projects.³ The differential of no charge (self-supplied) or wholesale rates (grid-charged, where permitted netting applies) with retail rates are significant, with retail rates being three to four times above the wholesale rate, give or take, depending on the time of the day.⁴ With the ability to self-supply station loads with onsite generation, unlike standalone energy storage, the impacts are likely much higher since such self-supplied power would not be assessed any charges if existing rules are correctly applied but could face retail charges if self-supplied power is not

³ Technical project design considerations are impacted by whether the rules allow for self-supplied energy (*e.g.*, running separate circuits), which impact project costs.

⁴ A complete analysis could be conducted but would largely confirm what is already known. Any analysis would need to be illustrative as company’s would not want to publish confidential operational and project data. A basic assessment of station loads (*e.g.*, transformer, HVAC, and inverter idle losses) multiplied by the applicable average retail tariff charge (*e.g.*, \$0.1689/kWh) instead of the average wholesale price (*e.g.*, between \$0.02/kWh and \$0.06/kWh) would show obvious material harms on projects. *See* for reference U.S. Energy Information Administration data for average wholesale and retail prices:

<https://www.eia.gov/electricity/state/>

<https://www.eia.gov/todayinenergy/detail.php?id=46396>

delineated and identified.⁵ The material harm and risks were not only reported by CESA’s members but also “confirmed” by those among ACP’s and IEP’s community.⁶

Taken together, CESA emphasizes the urgency of resolving the matter since the current application of the existing rules are unclear and may be inconsistently and inequitably applied, leading to material harm to the financial viability of hybrid and co-located projects that are urgently needed for near- and medium-term reliability. Addressing these matters through a rulemaking is unduly long and would not result in timely resolution, and as explained further in the next section, is frankly unnecessary.

III. A PETITION IS APPROPRIATE TO NARROWLY CLARIFY EXISTING RULES ALREADY LITIGATED EXTENSIVELY IN THIS RULEMAKING.

All respondents to the Petition agree that clarification is needed on the station power rules for hybrid and co-located resources, but where some disagree is the vehicle by which such clarifications and modifications are discussed, developed, and adopted. Due to the complexity of issues, the Public Advocates Office (“PAO”) and Pacific Gas and Electric Company (“PG&E”) argue that a Petition is not the proper venue to address “material issues of fact” and because stakeholders should be given an opportunity for discovery and robust analysis, which can be achieved through deeper consideration in a process similar to those used to establish the rules in D.17-04-039.⁷ Similarly, SCE and San Diego Gas and Electric Company (“SDG&E”) request that CESA’s Petition be denied in order to address some of these complexities, including consistency

⁵ Such analysis was provided by LS Power in R.15-03-011 showing the material impacts, but CESA does not believe this type of analysis needs to be reproduced for something obvious and apparent. See Attachment of *Administrative Law Judge’s Ruling Seeking Comment on Joint Report and Staff Proposal* issued on January 10, 2017 in R.15-03-011 at 11-14.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M171/K806/171806308.PDF>

⁶ ACP response at 3-4 and IEP response at 2.

⁷ PAO response at 1-2 and 4 and PG&E response at 1 and 5.

and alignment with the CAISO's Station Power Protocols ("SPP") and the purported lack of consideration of the differences between hybrid and co-located projects.⁸

Contrary to these claims, a new rulemaking process to develop an evidentiary record is not required to determine the right of a generation project to self-supply its station power, and a hybrid or co-located generation and storage project should not be treated any differently than a generation-only project. Through its Petition, CESA merely seeks the Commission's clarification and determinations on how the existing station power rules and self-supply provisions should apply rather than to materially change the Commission's determinations on these matters, leveraging the extensive process already undertaken by the Commission, such as through the workshop, staff report, and comments already submitted in R.15-03-011. In other words, the record evidence has already been substantially built to support the clarifications recommended by CESA in its Petition.

When the Commission took up this issue in R.15-03-011, energy storage was an emerging asset class where rules in place for conventional generation facilities had gaps to account for not only the station power treatment for the positive generation provided by the facility but also their negative generation or charging capabilities. Now, the treatment of station power has been resolved for conventional generation and IFOM energy storage, where CESA is unable to understand why PAO and the investor-owned utilities ("IOUs") view hybrid and co-located projects as so much more complex to require extensive processes. As the CAISO aptly and simply put, CESA's Petition is merely extending the self-supply and netting rules for hybrid and co-located resources just as D.17-04-039 ultimately did for standalone IFOM energy storage at the time.⁹

Building on the importance of urgency expressed in the previous section, an extensive process will only serve to unnecessarily prolong the period of uncertainty for developers and will

⁸ SCE response at 2 and SDG&E response at 12.

⁹ CAISO response at 3-4.

continue to require developers to negotiate solutions on a project-by-project basis. PAO proposes this alternative, with Commission staff arbitrating contract disputes, as an “expeditious alternative,”¹⁰ but CESA finds this interim solution to be highly inefficient that does not scale to the volume of projects expected to confront these issues in the very near term, as well as a waste of staff resources and time that could be dedicated to more productive activities.

IV. COST SHIFTING ARGUMENTS EXTEND BEYOND THE NARROW SCOPE OF THE PETITION TO ENSURE A LEVEL PLAYING FIELD FOR HYBRID AND CO-LOCATED RESOURCES.

PG&E and SDG&E raise concerns about the possibility of a significant cost shift to other retail customers if the station power rules are not more closely assessed to arrive at the appropriate rules for hybrid and co-located resources, especially as these resources are procured and contracted as large and long-lived projects.¹¹ However, concerns about potential cost shifts are irrelevant to the requests made in the Petition, which seeks to merely extend the existing station power rules and self-supply provisions in place for standalone IFOM energy storage and standalone generation facilities, respectively, to hybrid and co-located resources, thus establishing an equitable and level playing field. When establishing the station power rules in D.17-04-039 and addressing the topic of netting during charging, the Commission focused on “comparable” treatment. The Office of Ratepayer Advocates (“ORA”) recommended that the Commission evaluate the costs and benefits of the proposed rules in order to determine the magnitude of any cost shift to retail customers,¹² which was not addressed and thus not afforded weight in establishing the station power rules established in D.17-04-039. To this end, cost-shifting arguments have no weight when applying the existing law and ensuring that the existing rules are fairly and equitably applied to all resource

¹⁰ PAO response at 2 and 4.

¹¹ PG&E response at 4 and SDG&E response at 4.

¹² D.17-04-039 at 52-54.

types, including for hybrid and co-located resources. Ensuring a level playing field primarily motivated the discussion and determinations made in D.17-04-039 and should similarly be the case for the requests made in this Petition.

Fundamentally, the Petition does not seek a policy change on the existing station power rules, except to extend and clarify them as it applies to hybrid and co-located resources in order to ensure an equitable and level playing field with conventional generation and standalone IFOM energy storage. Even SDG&E agrees with the fundamental premise that the “law is clear that self-supply of station loads is allowed, and that self-supply of station loads prohibits the assessment of retail charges.”¹³ CAISO reinforces this point, stating that “a generators’ station power demand is subject to a wholesale rate because they can self-supply energy from their generation to meet their station power demand.”¹⁴ There is no customer cost shift to other retail customers. In fact, without the requested self-supply clarification, hybrid and co-located projects will be overcharged for their retail electricity use while never actually using the transmission and distribution system and thus subsidize other retail customers. CESA simply requests that hybrid projects be afforded the same right as any conventional generator to self-supply its station power and avoid retail energy charges when doing so.

V. **CONCERNS ABOUT COMPATIBILITY WITH THE CAISO TARIFF HAVE NO MERIT SINCE THE COMMISSION HAS JURISDICTIONAL AUTHORITY OVER STATION POWER RULES.**

In their response, PG&E, SCE, and PAO raise questions regarding or dispute the compatibility of the proposed modifications in the Petition with the CAISO’s SPP, including as it relates to metering and settlement.¹⁵ These concerns or questions, however, are misplaced because

¹³ SDG&E response at 12.

¹⁴ CAISO response at 3.

¹⁵ PG&E response at 3, SCE response at 2, and PAO response at 5.

the Commission, as the local regulatory authority, ultimately has jurisdiction over the retail sales of station power.¹⁶ The Federal Energy Regulatory Commission (“FERC”) conceded that it lacked statutory authority to regulate station power and left it up to the states to determine the amount of station power that would be subject to state-jurisdictional retail energy sales and rates.¹⁷ In addition, the Federal Power Act grants FERC jurisdiction over the sale of electricity at wholesale in interstate commerce. FERC has no regulatory authority over the sale of electricity at retail. States typically regulate retail sales for IOUs and municipal and coop utilities typically are not regulated regarding the sale of electricity at retail (*i.e.*, they typically self-regulate with some exceptions).

For this reason, the state’s Commission was empowered to make modifications to the station power treatment for standalone IFOM energy storage and issue D.17-04-039. Any “conflict” with CAISO tariff and settlement procedures can be guided and/or modified accordingly by the Commission’s determinations on this matter.¹⁸ Importantly, the CAISO addresses these concerns by explaining that the Commission’s clarifications pursuant to CESA’s Petition would not require any modification to the CAISO tariff (*i.e.*, the SPP outlined in Appendix I) and how its tariff provisions are designed to accommodate such clarifications.¹⁹

¹⁶ *Duke Energy Moss Landing v. CAISO*, 132 FERC ¶ 61,183 at P 2 (2010); and *Calpine Corp. v. FERC*, 702 F.3d 41, 47 (D.C. Cir. 2012).

¹⁷ *Duke Energy Rehearing*, 134 FERC ¶ 61,151 at PP 24 and 28.

¹⁸ See CAISO Tariff Section 10.1.3: “CAISO Metered Entities and Scheduling Coordinator Metered Entities may net Station Power only *to the extent allowed by the Local Regulatory Authority* and as provided below” [*emphasis added*].

¹⁹ CAISO response at 3 and 5.

VI. DIFFERENCES BETWEEN HYBRID AND CO-LOCATED RESOURCES ARE ADDRESSED IN THE PETITION AND THE APPLICABILITY OF ONSITE SELF-SUPPLY CAN BE ADDRESSED BY THE COMMISSION.

The IOUs criticize the Petition for failing to discuss the differences in hybrid and co-located projects.²⁰ The only practical differences between hybrid and co-located projects are the metering configuration, where the former involves two or more resources operating under a single resource ID and the latter involves two or more resources operating under their own separate and individual resource IDs. However, both project types have a single point of interconnection (“POI”) and a single hybrid interconnection queue. As noted above, not only does the CAISO not see differences needed for hybrid and co-located resources in terms of the station power and netting rules established in D.17-04-039, but the Commission has also recognized that there is no practical difference in operational characteristics of hybrid and co-located resources in the RA proceeding.²¹ Yet, in order to present a comprehensive case to the Commission, CESA recognized the differences in the Petition, explaining the applicability of the existing station power and self-supply rules for both hybrid and co-located resources in different operating modes.²² These respondents argue in error that CESA did not contemplate the comparative applicability to hybrid and co-located projects.

To be consistent with the CAISO’s SPP, SCE and SDG&E also point to how co-located projects should be subject to remote self-supply rules since the generation and storage resource involves two or more resource IDs, provided that the resources are owned by the same person or

²⁰ PG&E response at 2-3, SCE response at 4-5

²¹ See D.20-06-031 at 28-29: “For example, Tesla states that “the operational behavior of a Hybrid Resource comprised of storage and a [Variable Energy Resource] with a single resource ID is likely to be very similar to that of a similar Co-Located resource, since the economic incentives are similar.” *In other words, if a hybrid and a co-located resource have identical physical characteristics and charging restrictions, the same QC value should apply to both. The Commission agrees with this view.*” [emphasis added] <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M342/K083/342083913.PDF>

²² See Table 1 of Petition and arguments thereafter.

entity.²³ SCE adds that the CAISO would be otherwise paying for generation measured at the CAISO meter for which there would be self-supply.²⁴ However, as discussed in the previous section, the Commission has the jurisdictional authority to establish the rules for onsite station load and determine the appropriate station power treatment, which will then be reflected in the CAISO's SPP with modifications to reflect how co-located resources qualify under onsite self-supply provisions rather than remote self-supply provisions. With these changes, the CAISO will be able to reconcile net output for each generation resource in the Station Power Portfolio,²⁵ reflecting the accounting and billing for the netting period. Concerns in this regard are not insurmountable.

Finally, subjecting co-located resources to remote self-supply provisions is illogical. These resources operate behind the same POI and reconciling onsite self-supply can be addressed through the existing CAISO tariff. Worse, under remote self-supply, the energy used to serve station load would be subject to transmission costs and charges²⁶ even though the self-supplied energy from onsite generation or storage behind the same POI would not be using the bulk transmission system at all.

VII. BOTH HIGH-SIDE AND LOW-SIDE METERS ARE NEEDED TO MEASURE ENERGY THROUGHPUT, BUT THE HIGH-SIDE METER SHOULD BE USED TO DELINEATE BETWEEN WHOLESALE AND RETAIL CHARGING.

Several respondents criticized the “sufficiency” of the high-side meter, but CESA wishes to clarify that the Petition requests that the Commission affirm that a single revenue-grade high-side meter would be sufficient *for the purposes of delineating* wholesale versus retail draws, not that low-side meters should not be used at all. Granted, this could have been made more clear, but

²³ SCE response 5-6 and SDG&E response at 5.

²⁴ SCE response at 7-8.

²⁵ *See, e.g.*, CAISO Tariff Appendix I Section 3.1.

²⁶ *Ibid* Section 4.1-4.3.

the Petition explains the inequitable impacts of making these delineations based on a low-side meter read *alone* without taking into account what is being read on the high-side meter.²⁷ CESA acknowledges that low-side meters will still be needed to measure energy throughput that should be assessed the appropriate rates, but the single revenue-grade high-side meter read is also needed to determine the specific station power treatment that is appropriate. In other words, the single revenue-grade high-side meter read in a given settlement interval is the determining factor on the rate treatment for the station power consumption that is measured at the low-side meters.

Specifically, regarding the sufficiency of the high-side meter, PAO and SDG&E discussed how the CESA's proposed high-side metering solution is unclear on whether it properly accounts for stored grid energy versus onsite generation that is used to serve station power loads.²⁸ D.17-04-039 does not discuss the merits of the appropriate settlement interval where permitted netting would be allowed since the Commission was merely extending the rules in place for conventional generation to standalone IFOM energy storage, but the 15-minute netting interval provides reasonable assurances against the PAO's concerns about whether the stored grid energy comes from onsite generation versus grid-supplied energy. In theory, the most accurate assurances would be provided by instantaneous netting or even 5-minute interval netting, but a 15-minute interval for netting has been in place for all generation and storage and is certainly more accurate than if monthly or annual netting was in place, where PAO's concerns about the source of the self-supplied energy serving station loads is a more acute question.²⁹

²⁷ See Table 1 of Petition summarizing the station power treatment of "high-side meter read" versus "low-side meter read only".

²⁸ PAO response at 4 and SDG&E response at 10.

²⁹ Furthermore, with investment tax credit ("ITC") eligibility driving paired energy storage to charge from the grid at most 25%, there are some policy assurances of the source of the self-supplied electricity to serve station loads. Not all projects charge 100% of the storage from ITC-eligible generation, and federal tax policy may change in the future, but as it stands today, there are reasonable policy assurances that the bulk of the electricity to charge the storage unit will come from the co-located renewable energy generator.

Along the same lines, SDG&E provides an example of a situation where a single high-side meter would not be able to sufficiently determine whether station load at a hybrid or co-located resource facility should be assessed a retail charge, where station loads (*e.g.*, generator is not running but has 1.5 MWh in station loads) exceed the net draw or injection dispatch from the CAISO (*e.g.*, 1.0 MWh).³⁰ Again, such instances are readily addressed by the permitted netting rules adopted in D.17-04-039 where station power consumption is measured against the total injection or draw in response to CAISO dispatch.³¹ While the high-side meter read would indicate that grid-supplied energy was delivered to the hybrid or co-located resource, the absolute values on the high-side and low-side meters would need to be summed to determine whether permitted netting applies, net of self-supplied energy measured on the low-side meter and as provided by onsite generation or storage behind the same POI.

*Table 1: Station Power Netting in Settlement Interval for SDG&E's Example*³²

Station Power Consumption of Generation and Storage <i>(Low-Side Meters)</i>	Absolute Value of Charging or Discharging <i>(High-Side Meter)</i>	Energy Storage Charge or Discharge <i>(Low-Side Meters)</i>	Retail Station Power Load
- 1.5 MWh (Solar)	-1.0 MWh (Charge)	+ 0.5 MWh (Storage)	Yes – 1.0 MWh
- 1.5 MWh (Solar)	+ 1.0 MWh (Discharge)	+ 2.5 MWh (Storage)	No – all station power loads self-supplied by 1.5 MWh from onsite storage ³³

³⁰ SDG&E response at 6-7.

³¹ See D.17-04-039 at Ordering Paragraph (“OP”) 8: “Allow consumption to be netted against the response to the dispatch within a fifteen-minute settlement period, when a storage resource withdraws energy (charges) or injects energy (discharges) subject to a dispatch at a greater absolute value of energy than its station power consumption.” See also “Joint Report and Staff Proposal: May 2, 2016 Joint Workshop Station Power for Electric Storage Devices” at 25-27 attached in *Administrative Law Judge’s Ruling Seeking Comments on the Joint Report and Staff Proposal* issued on January 10, 2017 in R.15-03-011. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M171/K806/171806308.PDF>

³² In this table, (+) indicates generation and (-) indicates consumption or charging. Line losses or other systems losses are neglected for simplicity.

³³ Without taking into account the high-side and low-side meter read, it would not be possible to determine that the different reads between two meters were the result of self-supplied energy serving the solar facility’s station power consumption.

Meanwhile, PAO, as well as SDG&E, point to how D.17-04-039 and D.18-01-003 deferred on the establishment of specific metering configurations as reasons for why the issues raised in the Petition require further attention in a rulemaking process.³⁴ However, nothing in the Rules of Practice and Procedure stipulate that a Petition for Modification cannot make changes to an issued decision, except that the movant support the factual allegations with citations and the appropriate declarations and affidavits. New facts have emerged since the issuance of D.17-04-039 and D.18-01-003 that have been presented to the Commission and stakeholders via the Petition to modify a “non-decision” on a matter that deferred the determination on appropriate metering arrangements for IFOM systems, allowing load-serving entities (“LSEs”) and storage providers to determine their desired metering configuration.³⁵ Based on the new facts presented in the Petition, however, clarification on a specific metering configuration is needed and requested for the purposes of delineating wholesale and retail draws from the grid in a consistent manner and in accordance with existing station power rules and self-supply provisions.

Furthermore, CESA does not seek to change the policy determinations made in D.17-04-039 and D.18-01-003, except to identify one metering arrangement that could be applied to hybrid and co-located projects but not at the exclusion of other arrangements. At this time, CESA has identified one pathway and option for a metering arrangement that would establish equitable and comparable treatment of hybrid and co-located projects. To this end, specifying one possible appropriate metering arrangement that uniquely works for hybrid and co-located projects does not change the underlying determination made by the Commission that other metering arrangements could be pursued for standalone IFOM energy storage projects and/or hybrid and co-located projects, on a case-by-case basis between the UDC and the developer.

³⁴ SDG&E response at 2-3 and PAO response at 3.

³⁵ D.18-01-003 at 22-23.

Finally, CESA requests that the Commission disregard PG&E's claim that this Petition seeks to guarantee avoidance of retail charges.³⁶ As the Petition lays out for hybrid versus co-located projects and for different operational modes, CESA went through a detailed exercise to ensure equitable and comparable treatment to conventional generating and energy storage facilities but also to ensure that station loads are appropriately assessed retail rates when appropriate and as required pursuant to D.17-04-039 and the self-supply rules.

VIII. THE PROPOSED REVISIONS OF THE INDEPENDENT ENERGY PRODUCERS ASSOCIATION SHOULD BE ACCEPTED.

CESA appreciates the IEP's careful review of our proposed revisions to D.17-04-039 and agree with the IEP-proposed revisions of Conclusions of Law 9, 13, and 14 and Ordering Paragraph 8.³⁷ As explained by IEP, self-supplied energy should not be purchased at wholesale rates by the facility, which was the unintended recommendation in the Petition made in error. CESA recommends that these revisions be incorporated in the Commission's consideration of the Petition's requests for relief.

³⁶ PG&E response at 5.

³⁷ IEP response at 3-4.

IX. CONCLUSION.

CESA appreciates the opportunity to submit this reply to the Petition and respectfully requests that the Commission grant the requested relief as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jin Noh', written in a cursive style.

Jin Noh
Policy Director
CALIFORNIA ENERGY STORAGE ALLIANCE

Date: April 29, 2021