

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

Order Instituting Rulemaking to  
Continue Electric Integrated Resource  
Planning and Related Procurement  
Processes.

Rulemaking 20-05-003  
(Filed on May 7, 2020)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON  
THE PROPOSED DECISION ADOPTING 2021 PREFERRED SYSTEM PLAN**

Jin Noh  
Policy Director

Sergio Dueñas  
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)

January 19, 2022

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

Order Instituting Rulemaking to  
Continue Electric Integrated Resource  
Planning and Related Procurement  
Processes.

Rulemaking 20-05-003  
(Filed on May 7, 2020)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE  
ON THE PROPOSED DECISION ADOPTING 2021 PREFERRED SYSTEM  
PLAN**

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 Adopting 2021 Preferred System Plan* (“PD”), issued by Administrative Law Judge (“ALJ”) Julie Fitch on December 22, 2021.

**I. INTRODUCTION.**

CESA appreciates the opportunity to provide responses to the opening comments submitted by parties on the PD detailing the Preferred System Plan (“PSP”) that the Commission intends to adopt for the current Integrated Resource Planning (“IRP”) cycle. Upon reviewing parties’ comments, CESA’s reply comments can be summarized as follows:

- The Commission should revise the PD to reflect a commitment to adopt a PSP that achieves a 30 million metric ton (“MMT”) greenhouse gas (“GHG”) emissions target in the next IRP cycle.
- The Commission should revise the PSP with at least 2 GW of incremental energy storage.
- The Commission should continue to develop a Reference System Portfolio (“RSP”) at least every other IRP cycle.
- The Commission should develop a means to timely translate Transmission Planning Process (“TPP”) findings and projects into IRP procurement directives to avoid sub-optimal economic outcomes.

- The Commission should communicate a sensitivity case in which long lead-time (“LLT”) resources come online in 2026 as part of the portfolios transmitted to California Independent System Operator (“CAISO”) for TPP purposes.

**II. THE COMMISSION SHOULD REVISE THE PD TO REFLECT A COMMITMENT TO ADOPT A PSP THAT ACHIEVES A 30 MMT GHG TARGET IN THE NEXT IRP CYCLE.**

CESA welcomes the comments of other parties urging the Commission to revise the PD to formally commit to adopting a PSP compliant with the statewide 30 MMT GHG target in the upcoming IRP cycle, noting, for example, that a 38 MMT target will likely be insufficient to ensure meeting California’s climate goals, or how there is no projected difference in the levelized average rate between the 38 MMT high-electrification and the 30 MMT high-electrification scenarios.<sup>1</sup> CESA fully agrees with these arguments and request that the Commission revise the PD to expressly state that load-serving entities (“LSEs”) shall submit their plans to meet a 30 MMT GHG target by September 1, 2022, in order to enable the Commission to adopt a 30 MMT-compliant PSP for the next IRP cycle.

**III. THE COMMISSION SHOULD REVISE THE PSP WITH AT LEAST 2 GW OF INCREMENTAL ENERGY STORAGE.**

The CAISO observed that the 38 MMT Core Portfolio from the PD has slightly fewer battery storage resources than a similar portfolio from the Ruling issued in August 2021 (“August Ruling”).<sup>2</sup> As a buffer, the CAISO thus recommended the Commission to consider whether additional storage procurement in the mid-term could ease procurement, forecast, and operational uncertainties.<sup>3</sup> CESA agrees with the CAISO’s observations and considers that the inclusion of the GridLiance West (“GLW”) Transmission Upgrade enhancement and the associated 2 GW of additional storage in the PSP would result in a more robust portfolio that can

---

<sup>1</sup> See, e.g., Environmental Defense Fund (“EDF”) Opening Comments at 6; California Environmental Justice Alliance and Sierra Club (“CEJA/SC”) Opening Comments at 5; and Center for Energy Efficiency and Renewable Technologies (“CEERT”) Opening Comments at 2.

<sup>2</sup> CAISO Opening Comments, at 4.

<sup>3</sup> *Ibid.*

offer assurances with regards to reliability and transmission planning.<sup>4</sup> As such, considering the difference in the compositions of the 38 MMT + 2020 IEPR + High EV portfolios described in the August Ruling and the PD, CESA requests the Commission to revise the PSP and the portfolios considered for the 2022-2023 TPP to include the GLW Transmission Upgrade enhancement and include 2 GW of incremental energy storage mapped at this location.

**IV. THE COMMISSION SHOULD CONTINUE TO DEVELOP A RSP AT LEAST EVERY OTHER IRP CYCLE.**

Like CESA, several other parties advised against the abrupt elimination of the RSP, which could result in technology lock-in, increased ratepayer costs, and sub-optimal procurement without further Commission guidance and analysis. For example, parties pointed to the risks of not meeting its statutory requirement to identify “a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner” and of overlooking the breakthrough availability of a new resource that reduces total system costs for California ratepayers.<sup>5</sup> In the alternate, rather than completely eliminating the RSP, EDF recommended that the Commission create a RSP at least every five years.<sup>6</sup> CESA welcomes this proposal since it could offer a reasonable means to ensure a system-wide optimal portfolio is developed while balancing the time constraints associated with the IRP proceeding. CESA, however, recommends that the Commission plan to adopt an RSP every other IRP cycle to better coincide with the regularity of the IRP process (*i.e.*, every 4 years), still generally aligned with EDF’s proposal yet easing the workload of Commission staff.

Moreover, CESA supports and wholly agrees with the observations made by the Public Advocates Office (“CalAdvocates”), who underscored that the PD fails to explain how the LSEs should incorporate any updated inputs and assumptions in their respective IRP plans vis-a-vis the

---

<sup>4</sup> The GLW Transmission Upgrade enhancement, located in Southern Nevada, has been studied by CAISO staff for two TPP cycles and will be recommended for approval to the CAISO Board as cost-effectively upgrades primarily existing corridors and facilities.

<sup>5</sup> California Wind Energy Association (“CalWEA”) Opening Comments at 7 and EDF Opening Comments at 9.

<sup>6</sup> EDF Opening Comments at 9.

PSP portfolio and errs by not specifying that stakeholders will have an opportunity to provide feedback on any updates to them.<sup>7</sup> Clarifications to this end should be made in the current PD.

V. **THE COMMISSION SHOULD DEVELOP A MEANS TO TIMELY TRANSLATE TPP FINDINGS INTO IRP PROCUREMENT DIRECTIVES TO AVOID SUBOPTIMAL OUTCOMES IN TERMS OF TRANSMISSION PLANNING AND RATEPAYER COSTS.**

PG&E expressed that it has not identified energy storage projects in the CAISO's interconnection queue that can meet the online dates proposed in the PD for either the 115 kV system at the Kern-Lamont Substation or the Mesa Substation, a situation that is exacerbated by the fact that CAISO's interconnection application window will not reopen until April 2023.<sup>8</sup> As a result, PG&E notes that procurement of energy storage projects as a near-term transmission alternative solution is likely not feasible.<sup>9</sup>

Overall, PG&E's comments underscore that a more programmatic approach to translate TPP findings into IRP procurement directives is urgently needed. The lack of timely planning on the procurement of these resources may risk their development despite their cost-effectiveness, counter to ratepayer interest. The development of a programmatic IRP procurement structure and cadence will thus be critical to avoiding just-in-time procurement and to more efficiently translating planning needs with procurement processes. For these specific two projects, CESA requests the Commission collaborate with the CAISO and PG&E to determine if transmission upgrades can be put on hold for longer in order to deploy storage assets as soon as possible and meet these needs while preserving reliability.

VI. **THE COMMISSION SHOULD COMMUNICATE A SENSITIVITY CASE IN WHICH LLT RESOURCES COME ONLINE IN 2026 AS PART OF THE PORTFOLIOS TRANSMITTED TO CAISO FOR TPP PURPOSES.**

The California Community Choice Association ("CalCCA") requested the PD should be modified to ensure the PSP accurately represents the Mid-Term Reliability procurement requirements for LLT resources for the purposes of transmission planning. CalCCA notes that

---

<sup>7</sup> CalAdvocates Opening Comments at 2-3.

<sup>8</sup> PG&E Opening Comments, at 2.

<sup>9</sup> *Ibid.*

the PSP currently pushes LLT resources to be deployed by 2028, presumably as a worst-case scenario due to project delay risks, despite the fact that D.21-06-05 directs their development by 2026.<sup>10</sup> While it is reasonable to test this outcome as a sensitivity, CalCCA requested that the Commission use consistent planning assumptions across both the IRP and TPP.<sup>11</sup> CESA supports considering the deployment of LLT resources in 2026 as a sensitivity case to be transmitted to the TPP, therefore allowing the CAISO to timely plan for the transmission necessary to integrate these resources.

**VII. CONCLUSION.**

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

Respectfully submitted,

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

Jin Noh  
Policy Director  
CALIFORNIA ENERGY STORAGE ALLIANCE

Date: January 19, 2022

---

<sup>10</sup> CalCCA Opening Comments at 8.

<sup>11</sup> *Ibid* at 9.