

April 7, 2022

CPUC Energy Division Tariff Unit
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**Re: Comments of the California Energy Storage Alliance to Resolution E-5202:
Pacific Gas & Electric Company Request for Approval of Mid-term
Reliability Procurement Pursuant to Decisions 21-06-035 and 21-12-015**

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) hereby submits these comments to the above-referenced Draft Resolution E-5202 (“Draft Resolution”) issued on March 18, 2022, approving Advice Letter 6477-E, submitted by Pacific Gas and Electric Company (“PG&E”) on January 21, 2022.

I. INTRODUCTION & SUMMARY.

On March 18, 2022, Draft Resolution E-5202 was issued that would approve nine energy storage contracts submitted by PG&E to meet mid-term reliability (“MTR”) procurement requirements for 2023 and 2024. Overall, the Commission concluded that the contracts were compliant with the procurement guidance and requirements of Decision (“D.”) 21-06-035 and concurred with the independent evaluator (“IE”) that the competitive solicitation was fair and robust, while finding the protest submitted by the Public Advocates Office (“Cal Advocates”) as not warranting rejection of the contracts.

Upon reviewing the Draft Resolution, CESA supports the Commission’s timely approval of the executed contracts and generally agrees with the determinations made. Due to the confidential and redacted nature of certain contract details, it is difficult for CESA to assess the merits of Cal Advocates’ protest and the Commission’s findings and determinations in response. Regardless, CESA commends the Commission for a timely and efficient approval of these energy storage contracts, which have become “standardized” in many ways given the track record and experience in evaluating and contracting for energy storage projects, stretching back to Assembly Bill (“AB”) 2514 energy storage applications and recently to 2021-2023 system reliability procurement. As such, the quick 3-month turnaround from advice letter submittal to Final Resolution should become the minimum standard for regulatory review, especially when the competitive solicitation and resulting contracts are familiar and supported by Commission precedent. Such expeditious timelines are currently due to short lead times to meet summer reliability needs in Summer 2022 and Summer 2023, but similar efficient processes should be

pursued on a going-forward basis as well considering the significant levels of resource buildout expected to meet our long-term reliability objectives and decarbonization goals.

Notwithstanding our strong support for approval of the Draft Resolution, CESA recommends that the Commission correct an error in the discussion regarding the consistency with D.21-06-035 and D.21-12-015 and include a finding to clarify and affirms the applicability of local charging limits to energy storage resources.

II. DISCUSSION.

In our review of the Draft Resolution, CESA offers the following key comments and recommendations:

A. The Commission should modify the Draft Resolution to reflect how the energy storage contracts will count toward PG&E’s all-source requirement.

In its assessment of compliance with D.21-06-035 and D.21-12-015 within the Draft Resolution, the Commission finds energy storage contracts have key characteristics of zero-emitting capacity.¹ However, Ordering Paragraph (“OP”) 6 and 9 of D.21-06-035 cited in the Draft Resolution establish the characteristics and requirements of zero-emitting generation capacity intended to replace the Diablo Canyon Power Plant (“DCPP”). In fact, D.21-06-035 also explicitly clarifies that it will not allow standalone energy storage that only charges from the grid for this specific category of resources being directed for procurement.²

By contrast, the nine energy storage contracts submitted for Commission approval by PG&E represent standalone energy storage resources that would not meet the requirements of this category since they are not physically hybridized or co-located with zero-emission generation or contractually paired with zero-emission generation. While PG&E is correct in its characterization of energy storage as zero-emitting capacity in its advice letter since energy storage does not have point-source emissions, but the Draft Resolution erroneously cites the zero-emitting generation capacity category to support approval of the nine energy storage contracts. As such, CESA recommends that the Draft Resolution be modified to instead reference compliance to OP 1 of D.21-06-035, which represents an all-source requirement and merely stipulates incremental net qualifying capacity (“NQC”) and commercial online dates (“CODs”), subject to marginal effective load carrying capability (“ELCC”) values published by Energy Division staff.³

¹ Draft Resolution at 8.

² D.21-06-035 at 44.

³ D.21-06-035 at Conclusion of Law (“COL”) 25 and OP 15.

Despite this error, it does not change the overarching findings and determinations made in the Draft Resolution. PG&E substantiated the NQC counts in accordance with staff's ELCC analysis, and the energy storage contracts are still necessary and in compliance with the procurement parameters to provide incremental capacity online within specified CODs pursuant to D.21-06-035 and D.21-12-015.

B. The Commission should add a finding or clarification on how the charging limits under the Local Capacity Technical Studies ("LCTS") apply to energy storage resources.

The Draft Resolution correctly explains that the charging limits in the LCTS reports represent charging limits in the event of contingency events and under 1-in-10 weather conditions, which are the bases by which Local Capacity Requirements ("LCR") needs and requirements are established.⁴ In other words, while the LCTS impacts local resource effectiveness for the purposes of Local Resource Adequacy ("RA") requirements, energy storage systems counting toward System RA requirements will still be able to charge under 1-in-2 weather conditions and support compliance toward System NQC needs.⁵ CESA recommends an explicit finding to this end in order to establish a meaningful precedent for future energy storage contracts that are submitted for Commission approval to meet system-level needs.

III. CONCLUSION.

CESA appreciates the opportunity to submit these comments to Draft Resolution E-5202 and looks forward to collaborating with the Commission and PG&E.

Respectfully submitted,



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California Energy Storage Alliance

cc: Lily Chow, Energy Division (Lily.chow@cpuc.ca.gov)

⁴ Draft Resolution at 9.

⁵ In the RA Reform Track in R.21-10-002, energy storage charging sufficiency may be explicitly addressed.

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Service lists of R.20-05-003, R.21-10-002, and R.20-11-003