

December 28, 2022

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**Re: Comments of the California Energy Storage Alliance to Draft Resolution E-5251: Southern California Edison Company’s Mid-term Reliability Energy Storage Contracts Submitted Pursuant to Decision 21-06-035**

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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-5251 (“Draft Resolution”) issued on December 8, 2022, approving Advice Letter 4885-E, submitted by Southern California Edison Company (“SCE”) on October 28, 2022.

## **I. INTRODUCTION & SUMMARY.**

In Draft Resolution E-5251, the Commission would approve four energy storage contracts submitted by SCE via Advice Letter 4885-E for expedited approval from its 2021 Mid-Term Reliability (“MTR”) Request for Offers (“RFO”) Fast and Standard Tracks. The fourth-tranche contracts total 619 MW of nameplate capacity, equivalent to 565.2 MW of incremental September NQC for MTR compliance under the Commission staff’s effective load carrying capability (“ELCC”) methodology. In response to a protest from Cal Advocates focused on the WPower Project, the Commission found that SCE adhered with the least cost, best-fit selection criteria, with no evidence to the contrary that SCE “overpaid” for capacity with this particular contract. Importantly, the Commission denied Cal Advocates’ protest on the grounds that they presented no evidence that contracting for 2024 instead of 2023 and contracting for “bridge” Resource Adequacy (“RA”) would be either feasible or result in lower overall contract prices.<sup>1</sup>

Upon reviewing the Draft Resolution, CESA supports the Commission’s timely approval of the four executed contracts in their entirety without modification and generally agrees with the determinations made, particularly as it relates to the WPower Project. Given tight supply chain conditions and short lead times to meet summer reliability needs by August 1, 2023, CESA appreciates the Commission’s quick turnaround to approve the contracts submitted in Advice Letter 4885-E. In addition to generally meeting the Integrated Resource Planning (“IRP”) procurement obligations as set forth in Decision (“D.”) 21-06-035, each of the projects are

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<sup>1</sup> Draft Resolution at 11-12.

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critically needed for summer reliability in 2023 to avoid or mitigate the risks of repeat events of the August 2020 rolling outages and the near-outage event in September 2022 with the weeklong heat wave.

Furthermore, it is critical to note that, based on the mere 7-month lead time from Commission approval of the contracts to the commercial online date (“COD”) for the WPower Project, the seller likely took extraordinary steps and put hundreds of millions of investment dollars on the line by procuring and shipping batteries and other equipment prior to a Commission final, unappealable decision. Typically, such project development activities would not occur until after the Commission issues a final, unappealable decision since the seller would otherwise put themselves at significant financial risk, but “normal” development processes and sequencing of activities are simply not possible in such compressed timeframes. Tanking these good-faith efforts with delays or contract modifications would have harmed industry confidence in putting investment dollars at risk and taking extraordinary steps in a moment when the state is urgently calling for near-term incremental capacity resources.

As such, CESA strongly supports the Commission’s determination to approve the WPower Project contract, along with the three other contracts. As the Draft Resolution explains, in the absence of concrete evidence that SCE can secure cheaper bridge capacity, it is reasonable to approve these contracts. CESA adds that it would have created unnecessary and uncertain risk to support near-term reliability in this current macro-economic environment and well-known supply capacity shortfalls, when we have certainty of contracted supply and final-stage project development activities already underway (*e.g.*, shipping batteries and other equipment).

Finally, CESA urges the Commission to keep the Draft Resolution on track to be on the agenda for and approved at the Commission’s January 12, 2023 Voting Meeting. Holding this approval to any later Voting Meeting jeopardizes the WPower Project in particular from coming online by August 1, 2023 and would also pose delay risks to deliveries and operations of the other three energy storage projects as well.

## II. CONCLUSION.

CESA appreciates the opportunity to submit these comments to Draft Resolution E-5251 and looks forward to collaborating with the Commission and SCE.

Respectfully submitted,



Jin Noh

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Policy Director  
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