# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company Storage Amendments to the Wholesale Distribution Access Tariff. Docket No. ER19-2505-001

## MOTION TO INTERVENE AND COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE

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September 18, 2019

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## MOTION TO INTERVENE AND COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or Commission"), the California Energy Storage Alliance ("CESA") respectfully moves to intervene and provides comments to amendments to the filing submitted by Southern California Edison Company ("SCE") on August 28, 2019 to its Wholesale Distribution Access Tariff ("WDAT"), FERC Electric Tariff, Volume No. 5. These amendments were filed as a follow-up to its original proposed amendments filed on July 31, 2019 to which CESA responded in comments on August 21, 2019.

#### I. BACKGROUND.

Founded in 2009, CESA is a non-profit membership-based advocacy group committed to advancing the role of energy storage in the electric power sector through policy, education, outreach, and research. CESA's mission is to make energy storage a mainstream energy resource which accelerates the adoption of renewable energy and promotes a more efficient, reliable, affordable, and secure electric power system. As a technology-neutral group that supports all business models for deployment of energy storage resources, CESA membership includes technology manufacturers, project developers, systems integrators, consulting firms, and other clean-tech industry leaders.

#### II. COMMUNICATIONS AND CORRESPONDENCE.

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#### III. MOTION TO INTERVENE IN THIS PROCEEDING.

CESA's current membership consists of 174 Power Global, 8minutenergy Renewables, Able Grid Energy Solutions, Advanced Microgrid Solutions, Aggreko, Alligant Scientific, LLC, AltaGas Services, Amber Kinetics, Ameresco, American Honda Motor Company, Inc., Avangrid Renewables, Axiom Exergy, Better Energies, Boston Energy Trading & Marketing, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Carbon Solutions Group, Clean Energy Associates, ConEd Battery Development, Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, EDF Renewable Energy, eMotorWerks, Inc., Enel X North America, Energyort, Energy Vault, Engie Storage, E.ON Climate & Renewables North America, esVolta, Fluence, Form Energy, General Electric Company, Greensmith Energy, Gridwiz Inc., Hecate Grid LLC, Highview Power, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Energy Solutions, LS Power Development, LLC, Magnum CAES, Malta Inc. NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., Nuvve, Pattern Energy, Pintail Power, Plus Power, Primus Power, PolyJoule, Quidnet Energy, PXiSE Energy, Range Energy Storage Systems, Recurrent Energy, RES Americas, SNC-Lavalin, Soltage, Southwest Generation, Stem, STOREME, Inc., Sunrun, Swell Energy, Tenaska, Inc., Tesla, True North Venture Partners, Viridity Energy, VRB Energy, WattTime, and Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (http://storagealliance.org).

CESA's intervention in this proceeding is in the public interest. CESA's interests will not be adequately reflected by any other party, particularly given CESA's role in representing companies that seek to develop and interconnect energy storage projects to SCE's distribution grid and participate in the California Independent System Operator ("CAISO") market, which are subject to SCE's WDAT. CESA therefore has a substantial interest in the instant proceeding and respectfully requests that this motion to intervene be granted.

#### IV. <u>COMMENTS</u>.

In response to the August 23, 2018 FERC Order, SCE submitted a revised WDAT amendment proposal on July 31, 2019 that seeks to amend its WDAT for energy storage interconnections by offering Firm Charging Distribution Service and As-Available Charging Distribution Services, establishing study processes that are associated with such services, and establishing monthly demand charges and/or higher-of upgrade costs that storage resources should pay for such services, with monthly demand charges proposed as lower for the As-Available option since it reflects the "limited/inferior nature" of such service. CESA submitted comments opposing the proposed amendments as unjust and unreasonable due to the false equivalency of storage charging to unavoidable firm wholesale load, the potentially discriminatory treatment of energy storage resources to pay twice for upgrades, and the insufficient basis in cost-causation principles for the proposed monthly demand charges.

On August 23, 2019, SCE submitted an amended filing that noticed and served the filing to the California Public Utilities Commission ("CPUC") and CAISO and modified the grandfathering policy to allow energy storage resources that have signed a Generator Interconnection Agreement ("GIA") and Wholesale Distribution Access ("WDS") Agreement or were issued either a Phase I Interconnection Study under the Cluster Study Process, or a System Impact Interconnection Study under the Independent Study Process, prior to October 31, 2019, to be able to obtain the same as-available distribution service that was applicable prior to the proposed amendments in SCE's August 23, 2019 filing.<sup>1</sup> Other than this change, SCE's revised filing appears to be materially unchanged.

While CESA appreciates this change and believes that the revised filing addresses some near-term concerns around the impact to energy storage resources that have already engaged in financial planning under the presumption that no charges would be assessed for their as-available charging service, CESA's broader concerns remain around the reasonableness of the proposed amendments. As expressed in our August 21, 2019 comments, our grounds for protest are for the following reasons:

- SCE's proposed amendments are significant and material and require further discovery and record building, such as through a new rulemaking involving workshops and comments to a notice of inquiry.
- While storage charging and end-use load are comparable to some degree, storage loads should be considered to be 'negative generation', and FERC's recognition of storage charging for later resale as 'negative generation' warrants key differences in load-side study and in cost responsibility for distribution upgrades.
- The proposed cost recovery mechanisms have not been sufficiently demonstrated to be just and reasonable in accordance with cost causation principles, and the reasonableness review should also examine linkages to the overall cost recovery for SCE's distribution system which, in line with CPUC 'balancing account', may

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<sup>&</sup>lt;sup>1</sup> August 28, 2019 Transmittal Letter at 4.

imply that excess costs recovered through WDAT rate changes may affect or reduce other distribution rates.

• The study processes for the new Charging Distribution Services should be streamlined and allow for earlier discovery.

CESA refers the Commission to our August 21, 2019 comments for more detailed comments substantiating our grounds for protest highlighted above.

A number of parties submitted protests and comments that strongly oppose SCE's proposed wholesale distribution charges and echo many of the same concerns expressed by CESA. For example, the Energy Storage Association ("ESA") aptly pointed out that the costs to maintain infrastructure built for wholesale and retail loads requires firm service on a 24/7 basis, highlighting how SCE's proposed charges are inappropriately premised on the equivalency of wholesale load and charging load.<sup>2</sup> NextEra similarly commented on how the proposed rates do not reflect SCE's proposed curtailment priority proposal for energy storage resources relative to wholesale loads, making it a non-firm charging distribution service contrary to SCE's characterization of its Firm Charging Distribution Service.<sup>3</sup> Additionally, the Solar Energy Industries Association ("SEIA") highlighted how SCE's WDAT proposal departs from the Commission's precedent of direct assignment of costs for which SCE has failed to meet its burden to substantiate the grounds for doing so.<sup>4</sup> CESA agrees and recommends that the Commission reject the filing and direct a rulemaking process to assess the appropriate Charging Distribution Service study procedures and cost allocation mechanisms.

<sup>&</sup>lt;sup>2</sup> Protest and Motion to Intervene of the Energy Storage Association at 3.

<sup>&</sup>lt;sup>3</sup> Protest and Motion to Intervene of NextEra Energy Resources LLC at 3.

<sup>&</sup>lt;sup>4</sup> Motion to Intervene and Protest, and Alternative Request for Technical Conference, by the Solar Energy Industries Association at 4.

Altogether, SCE's proposed charges and cost allocation procedures warrant further review and should not be adopted until these concerns are discussed and addressed. SCE has not demonstrated the need for urgency in resolving these matters in either the July 31, 2019 or August 28, 2019 filings. As such, CESA believes that there is time for the Commission to more deliberately and carefully consider the merits of SCE's proposal as well as to consider modifications or alternative proposals to ensure that Charging Distribution Service follow costcausation principles and appropriately differentiate storage charging load from wholesale load. For example, in contrast to SCE's proposal, alternative proposals to structure firm charging allowances similar to deliverability could be explored, whereby the storage interconnection customer would have options to pursue as-available, partially firm, or firm charging distribution service. On the generation side, deliverability is offered to storage interconnection customers for energy-only, partial deliverability, or full deliverability; similar types of charging distribution service could be offered for those seeking to pay for some amount of upgrades for firm charging distribution service at a lower price. Such alternative proposals could also be considered in a formal rulemaking process.

CESA understands that our request for more deliberate Commission evaluations and information gathering on these topics may also be expressed through a motion for rulemaking. CESA is actively working with industry members to consider and develop a motion for such action, by which the Commission may also consider a more formal and comprehensive assessment of this relatively new policy issue, which likely has national implications.

### V. <u>CONCLUSION</u>

CESA appreciates the Commission's considerations of these comments and recommends that the Commission reject SCE's instant filing and issue a formal rulemaking to address these issues with deeper record building. Modifications to SCE's proposal and/or alternative proposals should be considered in this new rulemaking process.

Respectfully submitted,

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Alex J. Morris

Vice President, Policy & Operations

CALIFORNIA ENERGY STORAGE ALLIANCE

September 18, 2019

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of *Motion to Intervene and Comments of the California Energy Storage Alliance* on the official service list in the proceeding ER19-2505-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Executed on September 18, 2019 at Berkeley, California

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