

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

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**INFORMAL COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE MOORPARK SUB-AREA LOCAL CAPACITY REQUIREMENTS
PROCUREMENT PLAN OF SOUTHERN CALIFORNIA EDISON COMPANY
SUBMITTED TO ENERGY DIVISION PURSUANT TO D.13-02-015**

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In accordance with the letter sent by Energy Division of the California Public Utilities Commission (“Commission”) to Southern California Edison Company (“SCE”) and with the email sent to parties of A.14-11-016 and R.16-12-007, the California Energy Storage Alliance (“CESA”)¹ hereby submits these informal comments on *Moorpark Sub-Area Local Capacity Requirements Procurement Plan of Southern California Edison Company Submitted to Energy Division Pursuant to D.13-02-015* (“Moorpark Procurement Plan”), filed by SCE on December 21, 2017.

¹ 8minutenergy Renewables, Able Grid Energy Solutions, Adara Power, Advanced Microgrid Solutions, AES Energy Storage, AltaGas Services, Amber Kinetics, American Honda Motor Company, Inc., Brenmiller Energy, Bright Energy Storage Technologies, BrightSource Energy, Brookfield, California Environmental Associates, Consolidated Edison Development, Inc., Customized Energy Solutions, Demand Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, ElectriQ Power, eMotorWerks, Inc., Energport, Energy Storage Systems Inc., Engie, GAF, Geli, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., IE Softworks, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Johnson Controls, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Magnum CAES, Mercedes-Benz Energy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., NICE America Research, NRG Energy, Inc., Ormat Technologies, Parker Hannifin Corporation, Qnovo, Recurrent Energy, RES Americas Inc., Sempra Renewables, Sharp Electronics Corporation, SNC Lavalin, Southwest Generation, Sovereign Energy, STOREME, Inc., Sunrun, Swell Energy, Viridity Energy, Wellhead Electric, and Younicos. 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>).

I. INTRODUCTION.

The Commission directed SCE on November 27, 2017 to submit a new procurement plan for Energy Division review to meet the local capacity requirement (“LCR”) of the Moorpark sub-area, given that the 262-MW Puente Power Project has been held on suspense and the 54-MW Ellwood Generating Facility refurbishment contract was rejected in a decision on October 4, 2017. Based on the CAISO’s Moorpark Sub-Area Local Capacity Alternative Study in August 2017, SCE identified a 318 MW LCR deficiency by 2022, which accounts for once-through-cooling unit retirements and the retirement of several other thermal plants (*e.g.*, Ellwood, Mandalay #3) in the Moorpark sub-area, as well as the contingency of losing the three Moorpark-Pardee 230-kV lines. With a 10-MW energy storage contract executed under SCE’s 2016 Energy Storage and Distribution Deferral (“ES&DD”) Request for Offers (“RFO”), SCE determines that it must fulfill a 308 MW LCR deficiency through the Moorpark Procurement Plan.

CESA supports SCE’s efforts to consider how energy storage solutions can address local capacity needs in the Moorpark sub-area as well as to address key resiliency objectives in the Santa Barbara/Goleta areas. In particular, CESA supports SCE’s intent to fulfill the LCR need with the best-fitting and cost-competitive energy storage technologies, even as SCE has already exceeded its interim targets pursuant to D.13-10-040 and met its customer domain targets.² In these informal comments, CESA offers its support for the Moorpark Procurement Plan but provides recommendations on how SCE should consider energy storage solutions as part of the Moorpark LCR / Goleta Resiliency Request for Proposals (“RFP”). Specifically, CESA recommends that:

² SCE Moorpark Procurement Plan, p. 7.

- This solicitation should operate in line with the Commission’s determinations of need and should not assume incremental or unapproved transmission solutions reduce the need.
- Additional information on how energy storage resources can address voltage collapse issues would support non-wires transmission alternatives.
- The definition of incrementality should be expanded to ensure the best outcome for ratepayers.

II. THIS SOLICITATION SHOULD OPERATE IN LINE WITH THE COMMISSION’S DETERMINATIONS OF NEED AND SHOULD NOT ASSUME INCREMENTAL OR UNAPPROVED TRANSMISSION SOLUTIONS REDUCE THE NEED.

The Commission should clarify that SCE’s solicitation should seek to meet the full LCR need of the local capacity area. These needs reflect the potential for transmission outages, including on lines where fire or other conditions can create outages. CESA raises this point based on discussions that were raised in the CAISO’s Transmission Planning Process (“TPP”), wherein a fourth 230-kV line between Moorpark and Pardee is being considered to partially address (to some degree) local reliability and voltage collapse issues in the Moorpark area.³ CESA believes it is premature to assume transmission changes that are not approved at this time. Further, CESA is concerned that planning systems used for addressing local capacity and reliability needs as determined through the Long-Term Procurement Planning (“LTPP”) proceeding could be muddied by layering in transmission solutions after the fact. CESA supports considerations of transmission solutions where appropriate, of course, but believes the planning process outcomes should not be adjusted *ad hoc* by potential other solutions that remain unapproved. Ultimately, CESA understands the need for both transmission and local (or other) capacity planning approaches. To date, the CPUC’s Integrated Resources Plan (“IRP”)

³ SCE Moorpark Procurement Plan, p. 12.

proceeding has provided some capability to direct where and how transmission expansions can be evaluated against building local generation. That said, CESA remains unclear on the sufficiency of the IRP's planning tools for actual detailed reliability and resiliency planning – *e.g.*, with contingency modeling to meet reliability standards. Finally, as the additional proposed transmission line may be of material financial interest to SCE, CESA believes that a full and robust solicitation managed by SCE should remain indifferent to unapproved transmission.

III. ADDITIONAL INFORMATION ON HOW ENERGY STORAGE RESOURCES CAN ADDRESS VOLTAGE COLLAPSE AND OTHER RELIABILITY ISSUES WOULD SUPPORT NON-WIRES TRANSMISSION ALTERNATIVES.

The Moorpark Procurement Plan raises the broader issue of how local reliability needs are defined and communicated to interested parties so that providers of energy storage and other non-wires alternatives can offer solutions that meet those needs. To the extent that transmission solutions are leveraged to inform or reduce local procurement needs pursuant to the LTPP determination, further information on the requirements and eligibility of transmission solutions may be helpful to support would-be competition from an array of transmission solutions.

As CESA understands it, the proposed SCE transmission project would develop a fourth line on existing infrastructure and an existing right-of-way. While CESA does not oppose transmission solutions and fully recognizes the CAISO will manage its TPP in line with its Tariff, CESA remains unclear on key criteria that may or may not support the use of transmission solutions. Additionally, both transmission and non-wires transmission solutions should be assessed, if feasible, to the extent that transmission solutions are used. Key gaps in understanding if transmission solutions are appropriate include: (1) whether such solutions still address the long-term line-outage concerns (particularly in light of recent fires and other

disasters, which have greatly limited the availability of some lines);⁴ and (2) whether the timelines and cost-analyses in any transmission study are reasonable and prudent and how such solutions should inform any CAISO (or Commission) determination on advancing other solutions.

CESA reiterates that these views are intended to respectfully review and inform these matters, and that CESA recognizes the needs for planning agencies to make determinations to move forward. CESA recognizes that local capacity procurement, governed by the Commission and informed by CAISO studies, have been a primary tool used in California for securing and ensuring reliability. CESA also recognizes that transmission solutions can be appropriate in many cases, so long as a fair and transparent process has been used in their consideration and approval.

IV. THE DEFINITION OF INCREMENTALITY SHOULD BE EXPANDED TO ENSURE THE BEST OUTCOMES FOR RATEPAYERS.

SCE proposes to use a definition for incrementality that seeks to avoid any inappropriate payments to existing resources. To do this, SCE references the principles adopted in D.16-12-036 to evaluate the incrementality of bids as either wholly incremental, partially incremental, or not incremental. CESA requests a modification of the incrementality definition to allow re-

⁴ As CESA understands it, the proposed transmission solution does not achieve the resiliency objectives of the Santa Barbara/Goleta area as it does not address the N-2 contingency of losing the only two 230-kV transmission lines connecting Goleta and Santa Clara, which are located on mountainous terrains that are at higher risk of wildfires and mudslides. In fact, the likelihood of these issues may be increasing, in turn informing needs and planning standards. At the October 5, 2017 Market Performance and Planning Forum meeting, CAISO observed that the near-record peak load on September 1, 2017 and the following day represented a 1-in-19 and 1-in-28 weather event, respectively. Additionally, the Thomas Fire that took place in parts of Ventura and Santa Barbara counties was recorded as the largest wildfire in California history, according to the California Department of Forestry and Fire Protection. While the resilience need in Goleta is estimated to be 105 MW, the proposed transmission solution would reduce the LCR need to 76 MW and thereby reduce the potential for preferred resources and energy storage to more cost effectively address the dual LCR and resilience objectives of this RFO.

purposing of existing resources, where appropriate. Resolution E-4889 provides a basis for this modification, stating how “[s]ervices offered by existing [distributed energy resources] that are above and beyond what is expected under other programs should be considered incremental” – *i.e.*, the resource may already be sourced but may operate in a different manner in accordance with the LCR or resilience requirements of this solicitation.⁵ A similar services-based framework was adopted recently in the multiple-use applications decision in the Energy Storage proceeding (R.15-03-011).

V. CONCLUSION.

CESA appreciates the opportunity to submit these informal comments on SCE’s Moorpark Procurement Plan and looks forward to working with the Commission, CAISO, and SCE going forward in this application.

Respectfully submitted,



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⁵ *Resolution E-4889: Approves, with Modifications PG&E Advice Letter 5096-E, SCE Advice Letter 3620-E/3620-E-A/3620-E-B, and San Diego Gas and Electric Company Advice Letter 3089-E, approved on December 14, 2017, p. 27.*