

**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

R.12-03-014
(Filed March 22, 2012)

**RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
TO THE TERRA-GEN POWER, LLC PETITION FOR EXPEDITED
MODIFICATION OF DECISION 13-02-015**

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June 20, 2014

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Pursuant to Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ respectfully submits this response to the Terra-Gen Power, LLC Petition for Expedited Modification of Decision 13-02-015 (“Petition”), filed on June 3, 2014.

I. INTRODUCTION.

CESA urges the Commission to stay the course and promptly reject the Petition. CESA also recommends that the Commission direct the utilities to only refer in the future to, and take into account in bid evaluation, information that is current at the time that any RFOs are issued.

¹ The California Energy Storage Alliance consists of 1 Energy Systems, A123 Systems, AES Energy Storage, Alton Energy, American Vanadium, Aquion Energy, ARES, North America, Beacon Power, Bosch Energy Storage Solutions, Bright Energy Storage Technologies, Brookfield Renewable Energy Group, CALMAC, ChargePoint, Clean Energy Systems, CODA Energy, Consolidated Edison Development, Customized Energy Solutions, DN Tanks, Duke Energy, Eagle Crest Energy Company, EaglePicher Technologies, East Penn Manufacturing Company, EDF Renewable Energy, EnerSys, EnerVault, EV Grid, FAFCO Thermal Storage Systems, FIAMM Group, FIAMM Energy Storage Solutions, Flextronics, Foresight Renewable Solutions, GE Energy Storage, Green Charge Networks, Greensmith, Gridscape Solutions, Gridtential, Halotechnics, Hitachi Chemical Co., Hydrogenics, Ice Energy, Imergy Power Systems, ImMODO Energy Services Corporation, Innovation Core SEI, Invenergy, K&L Gates, KYOCERA Solar, LG Chem, LightSail Energy, LS Power, Mitsubishi International Corporation, NextEra Energy Resources, NRG, OCI, OutBack Power Technologies, Panasonic, Parker Hannifin, PDE, Powertree, Primus Power, RES Americas, Rosendin Electric, S&C Electric Company, Saft, SeaWave Battery, SEEO, Sharp Labs of America, SolarCity, Sovereign Energy Storage, STEM, Stoel Rives, SunPower, TAS Energy, Tri-Technic, UniEnergy Technologies, and Wellhead. 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>.

II. THE COMMISSION SHOULD REJECT THE PETITION AND DIRECT THE UTILITIES TO REFER TO AND USE ONLY INFORMATION THAT IS CURRENT AT THE TIME THAT RFOs ARE ISSUED IN THE FUTURE.

The Petition asserts that SCE has misinterpreted a provision in D.13-02-015 that ordered the use of “the most up-to-date effectiveness ratings” issued by the California Independent System Operator (“CAISO”), and concludes that SCE’s decision to follow the Commission’s direction was a mid-course eligibility requirement that restricted eligibility to bid to only resources located in the southwest zone in its service territory. In Terra-Gen’s view, SCE’s decision caused elimination of projects located outside of a newly created southwest zone from consideration. Terra-Gen thus requests that the Commission (i) order a “short pause” in the RFO process, (ii) ask the CAISO to provide revised LEFs for each of SCE’s potentially affected substations, and (iii) direct SCE to use the results of the CAISO’s nodal analysis.

Ordering Paragraph 4 of D.13-10-040 provides that, “Any Requests for Offers (RFO) issued by Southern California Edison Company pursuant to this Order shall include the following elements . . . Use of the most up-to-date effectiveness ratings.” Although LEF updating was clearly contemplated by D13-10-040, the way the LEFs were updated by SCE was apparently reported as three zones rather than an LEF specific to each node (substation). CESA disagrees with Terra-Gen that the LEFs used in this instance when the RFO was issued had to be used because SCE stated in the RFO that LEFs would be updated by the CAISO at some point during the bid-evaluation process.

Notwithstanding CESA’s view that the current RFO process should not be disrupted, the Commission should consider the importance of ensuring that fully informed decisions are made and there are no unanticipated changes during the conduct of an RFO. Using the LEFs as an example, there are several important points. If LEFs do need to change during the course of an RFO, that needs to be explicitly recognized (as was done in D. 13-10-040). If the LEFs must be

adjusted during the bid evaluation process, there should not be a change in the way they are calculated. Further, important valuation factors, such as LEFs, need to be regularly reviewed to ensure they are properly capturing the intended purpose. It is not clear to CESA that LEFs properly capture the full value of distributed generation because they are based on a single worst case scenario which may result in devaluing distributed solutions. This warrants consideration in the next procurement decision.

III. CONCLUSION.

CESA thanks the Commission for the opportunity to provide these comments.

Respectfully submitted,



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