

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

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for
Development of Distribution Resources
Plans Pursuant to Public Utilities Code
Section 769.

Rulemaking 14-08-013
(Filed August 14, 2014)

And Related Matters.

Application 15-07-002
Application 15-07-003
Application 15-07-006

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE ASSIGNED COMMISSIONER'S RULING PROPOSING SCOPE AND
SCHEDULE FOR CONTINUED LONG TERM REFINEMENT DISCUSSIONS
PERTAINING TO THE INTEGRATION CAPACITY ANALYSIS AND
LOCATIONAL NET BENEFITS ANALYSIS IN TRACK ONE OF
THE DISTRIBUTION RESOURCES PLAN PROCEEDINGS**

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ hereby submits these comments on the *Assigned Commissioner’s Ruling Proposing Scope and Scheduled for Continued Long Term Refinement Discussions Pertaining to the Integration*

¹ 8minutenergy Renewables, Adara Power, Advanced Microgrid Solutions, AES Energy Storage, AltaGas Services, Amber Kinetics, American Honda Motor Company, Inc., Bright Energy Storage Technologies, BrightSource Energy, Brookfield, 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., Geli, Green Charge Networks, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., Hitachi Chemical Co., 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., OutBack Power Technologies, Parker Hannifin Corporation, Qnovo, Recurrent Energy, RES Americas Inc., Sharp Electronics Corporation, SolarCity, Southwest Generation, Sovereign Energy, Stem, STOREME, Inc., Sunrun, Swell Energy, UniEnergy Technologies, 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>).

Capacity Analysis and Locational Net Benefits Analysis in Track One of the Distribution Resources Plan Proceedings, issued on April 19, 2017 (“Ruling”).

I. INTRODUCTION.

CESA generally supports the proposed scope and schedule for the long-term refinement discussions of the integrated capacity analysis (“ICA”) and locational net benefits analysis (“LNBA”). However, as the Ruling appropriately prioritizes long-term refinement topics of higher complexity and importance to the development of the ICA and LNBA methodologies, CESA recommends that the working groups also focus more closely on how the siting and interconnection of energy storage resources can be facilitated with the continued course of refining the ICA and LNBA methodologies.

II. THE POTENTIAL FOR ENERGY STORAGE RESOURCES TO INCREASE INTEGRATION CAPACITY SHOULD BE CONSIDERED A HIGH-PRIORITY LONG-TERM REFINEMENT TOPIC.

CESA understands that much of the ongoing work in this proceeding has been focused on validating the ICA methodology to determine the circuits and lines with available hosting capacity to site additional distributed energy resources (“DERs”). However, energy storage resources are flexible and dispatchable resources that are not limited to locations on the distribution grid that have spare hosting capacity, but have the potential to increase hosting capacity for many additional DERs. Therefore, CESA supports the inclusion of the methods for reflecting the effect of potential load-modifying resources on ICA as a ‘Group 2’ long-term refinement topic, although it could be prioritized even further given the importance of such resources in alleviating distribution grid stresses, as experienced in the Southern California areas affected by the limitations of the Aliso Canyon natural gas storage facility and the local capacity needs stemming from the retirement of the San Onofre Nuclear Generating Station.

The types of load-modifying resources considered in these long-term refinement discussions should not be limited to just energy efficiency and demand response resources, but also include energy storage resources. As currently proposed in the Working Group Interim Status Report, the scope of this long-term refinement topic appears to be limited to the expected energy efficiency and demand response impact to the load shapes to assess potential integration capacity impacts.² The scope should be expanded to ensure that energy storage is prominently covered in discussions on this long-term refinement topic, as energy storage has many of the characteristics of an “ideal load-modifying resource” as listed in the report.

Alternatively, instead of ‘lumping’ consideration of the effects of energy storage resources on the ICA in the discussion with other load-modifying resources, CESA recommends that separate discussions be held for energy storage resources, given the ability of energy storage resources to operate as both load and generation. The Rule 21 interconnection process, for example, requires energy storage resources to be reviewed under both generation and load studies. Similarly, the ICA could be further developed to set load and generation limits, as energy storage can affect both the load and supply forecasts that go into the ICA calculations. The ICA values therefore should not just account for the thermal, voltage, and safety limits as a constraint for DER interconnection but rather as a variable that can be affected and increased with the interconnection of energy storage. The long-term goal of the ICA should be to maximize the integration capacity and locational value that can be extracted from any given line or circuit by interconnecting DERs, rather than looking at the incremental distribution grid need.

² *Integration Capacity Analysis Working Group First Intermediate Status Report on Long-Term Refinements*, filed on December 22, 2016. pp. 28-29.

The ability to increase integration capacity should be reflected or valued in some way in the LNBA results as well. By allowing for more DERs to interconnect, load-modifying resources would enable greater deferral of distribution system upgrades in addition to the number of other avoided costs and emissions provided by DER systems.

III. INCREASING INTEGRATION CAPACITY SHOULD BE CONSIDERED A HIGH-PRIORITY LONG-TERM REFINEMENT TOPIC AS IT RELATES TO OTHER COMMISSION PROCEEDINGS IN THE NEAR TERM.

CESA supports much of the progress made to date in the ICA and LNBA working groups. Once fully developed, the ICA and LNBA values will greatly inform Net Energy Metering (“NEM”) and other retail rate design discussions, the Rule 21 interconnection process, distribution planning processes, and utility sourcing mechanisms. However, while important first steps have been made in these working groups, CESA recommends that the Commission have the utilities and the stakeholders comprehensively develop the ICA and LNBA methodologies to encompass all DERs including energy storage as policy work is going forward in other Commission proceedings.

How energy storage resources fit into the ICA and LNBA calculations is still unclear and has yet to be thoroughly discussed. Incorporating ICA and LNBA values into other proceedings without fully evaluating its role in the ICA and LNBA methodologies would, for example, potentially disadvantage energy storage resources in utility sourcing mechanisms, or be less relevant to energy storage resources in streamlining their interconnection processes. The long-term refinement discussions are therefore critical for energy storage resources and should be appropriately scoped into these discussions.

IV. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Ruling and looks forward to working with the Commission and stakeholders to further refine and improve the ICA and LNBA methodologies.

Respectfully submitted,



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