

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

Order Instituting Rulemaking Regarding Policies, Procedures, and Rules for Development of Distributed 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

(NOT CONSOLIDATED)

In the Matter of the Application of PacifiCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005 (Filed July 1, 2015)
AND RELATED MATTERS.	Application 15-07-007 Application 15-07-008

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON ADMINISTRATIVE LAW JUDGE’S RULING REQUESTING ANSWERS TO
STAKEHOLDER QUESTIONS SET FORTH IN THE ENERGY DIVISION STAFF
PROPOSAL ON A DISTRIBUTION INVESTMENT DEFERRAL FRAMEWORK**

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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 *Administrative Law Judge’s Ruling Requesting Answers to Stakeholder Questions Set Forth in the Energy Division Staff Proposal on a Distribution Investment Deferral Framework*, issued on June 30, 2017 (“Ruling”).

I. INTRODUCTION.

In opening comments, CESA supported the Distribution Investment Deferral Framework Staff Proposal (“Staff Proposal”) but recommended that the Framework ensure transparency and consistency in the annual Grid Needs Assessments (“GNAs”) and avoid artificially limiting distributed energy resource (“DER”) opportunities to provide deferral services. CESA focuses its reply comments on the Joint Utilities’ proposal to limit the scope and range of grid needs identified in the GNAs and the opening comments of the Coalition of Utility Employees (“CUE”) that do not support the Framework or the potential of DERs to provide reliable, cost-effective deferral services.

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., GAF, 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., Ormat Technologies, 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, Viridity Energy, Wellhead Electric, and Younicos. The views expressed in these Reply 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 ENSURE TRANSPARENCY AND ACCESS TO THE GRID NEEDS ASSESSMENT AND NOT LIMIT THE SCOPE OF POTENTIAL DEFERRABLE PROJECTS.

Instead of a more comprehensive GNA as proposed in the Staff Proposal, the Joint IOUs instead propose to submit a “Distribution Deferral Opportunity Report” that limits transparency and access for stakeholders to review all the identified grid needs and the process by which the utilities applied technical and timing screens to a shortlist of deferrable projects.² CESA strongly disagrees and believes that parties should be given an opportunity to review a comprehensive GNA to ensure that the utilities are appropriately applying the screening criteria and inform the Commission and the utilities on the viability of DERs to provide deferral services. As mentioned in our opening comments, CESA believes that DER providers can inform and provide insight into the capabilities of DERs to meet various grid needs, and that efforts to limit the transparency of the distribution planning process work against the purpose of the Framework.

III. DISTRIBUTED ENERGY RESOURCES REPRESENT A POTENTIAL SOURCE FOR RELIABLE AND COST-EFFECTIVE DEFERRAL SOLUTIONS AND RISKS CAN BE EASILY MANAGED THROUGH A RIGOROUS BID EVALUATION AND CONTRACTING PROCESS.

CUE raises various operational, contractual, and financial concerns regarding the potential for DERs to reliably and cost-effectively defer traditional infrastructure investments. For example, CUE is concerned about party risk and pursuit of DERs to provide other grid or customer services.³ CESA disagrees and believes that these concerns can be easily addressed through a rigorous solicitation and bid evaluation process to vet the viability of counterparties, a contingency planning process that protects against deployment or operational risks, and penalty and performance provisions to ensure that the contracted services are delivered. Similar

² Joint Utilities’ Comments at p. 9.

³ CUE’s Comments at pp. 7-8.

contracts have been executed with DERs to provide local capacity, for example, which are critical to grid reliability and require the contracted counterparty to deliver as promised. With sufficient provisions in place, DER providers can optimize their other grid and customer services around the deferral service, which addresses many of CUE's concerns. As a result, CESA finds CUE's concerns to be entirely addressable and they should not limit progress in the development of a sustainable Framework.

IV. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Ruling and looks forward to working with the Commission and parties going forward in this proceeding.

Respectfully submitted,



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