



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

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Application of Pacific Gas and Electric Company (U 39-E) for Authorization to Procure Energy Storage Systems during the 2016-2017 Biennial Procurement Period Pursuant to Decision 13-10-040

Application 16-03-001
(Filed March 1, 2016)

Application of Southern California Edison Company (U 338-E) for Approval of Its 2016 Energy Storage Procurement Plan

Application 16-03-002
(Filed March 1, 2016)

Application of San Diego Gas & Electric Company (U 902 M) for Approval of Energy Storage Procurement Framework and Program As Required by Decision 13- 10-040.

Application 16-03-003
(Filed March 1, 2016)

REPLY BRIEF OF THE UTILITY REFORM NETWORK

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July 11, 2016

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REPLY BRIEF OF THE UTILITY REFORM NETWORK

I. INTRODUCTION

Pursuant to the *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (Scoping Memo)* issued June 3, 2016,¹ The Utility Reform Network (“TURN”) submits this reply brief in response to certain parties’ opening briefs regarding the 2016 Energy Storage Procurement Plans for Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), and San Diego Gas & Electric Company (“SDG&E”).

II. DISCUSSION

A. SDG&E should be allowed to include a contingency provision in its selection process.

The Scoping Memo requested parties to comment whether SDG&E should be allowed to include a contingency provision in its selection process that shortlisted offers may be considered

¹ See Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (henceforth “Scoping Memo”), filed June 3, 2016, p. 7

non-conforming in the event that the Commission does not adopt SDG&E's proposed Time of Use ("TOU") periods in A.15-04-012, as amended on February 9, 2016.² The California Energy Storage Alliance ("CESA") argued that the Commission should direct SDG&E to remove this restriction from its storage procurement plan, arguing that such a contingency is a "clear and unreasonable barrier" to behind-the-meter ("BTM") energy storage.³

TURN recognizes the challenge this uncertainty may pose to the BTM storage market. However, TURN notes that a BTM storage asset – whose operating profile will presumably be determined by the differential between on-peak and off-peak period retail rates – will not necessarily provide any capacity benefits if the TOU periods encourage charging during peak periods and/or discharging during periods of surplus. TURN thus believes some sort of check is necessary to ensure that BTM resources that are intended to provide capacity have the incentives to operate to provide such capacity when it is needed and not to consume energy at such times.⁴

B. PG&E's request to extend the deadline for requesting deferment of storage targets should be authorized.

TURN supports PG&E's request to clarify that the deadline for any utility request to defer its 2016 storage targets is the date of the utility submits contracts from its storage Request for Offers ("RFOs") to the Commission for approval.⁵ Extending the deadline for requesting deferment would allow the utilities more time to determine which offers will provide reasonable value, terms and conditions, and viability before having to request deferment.

C. TURN supports two of ORA's recommendations.

ORA raised two issues that, although not explicitly included in the Scoping Memo as questions requiring responses, are relevant to the reasonableness of the utilities' energy storage plans. ORA argued that the Commission should clarify how energy storage projects funded by the Self-Generation Incentive Program ("SGIP") should be counted and reported for the purposes of meeting the energy storage targets. ORA contends that the Commission should require the utilities to confer with Community Choice Aggregators ("CCA") and Energy Service Providers ("ESP") in their service territories prior to filing their 2018 energy storage procurement plan

² Scoping Memo, p. 5.

³ CESA Opening Brief, June 27, 2016, pp. 3-4.

⁴ TURN is not taking a position herein on SDG&E's specific TOU proposal.

⁵ PG&E Opening Brief, June 27, 2016, pp. 9-10.

applications in order to ensure that credit for the storage projects is allocated appropriately.⁶ TURN expects that the utilities will confer the CCAs and ESPs on this matter regardless of Commission direction. However, TURN supports ORA's recommendation to ensure that such consultations take place, and additionally recommends that the Commission provide guidance to this process to ensure that the utilities are accounting for and verifying SGIP-funded projects in the same manner.

ORA also argued that the Commission should require an affirmative showing of cost-effectiveness and grid reliability for those storage projects intended to defer transmission or distribution assets.⁷ TURN generally agrees with ORA's position that such "deferral assets" should provide grid services comparable or better than the "traditional asset" they are replacing or deferring and be cost-competitive with such assets as well.

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Respectfully submitted,

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⁶ ORA Opening Brief, pp. 3-4.

⁷ *Id.*, pp. 4-5.