



**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)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) COMMENTS ON
PROPOSED DECISION APPROVING STORAGE PROCUREMENT FRAMEWORK
FOR THE 2016 BIENNIAL PROCUREMENT PERIOD**

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I.

INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, Southern California Edison ("SCE") provides its comments on the Proposed Decision Approving Storage Procurement Framework for the 2016 Biennial Procurement Period (the "Proposed Decision").

SCE appreciates the opportunity to comment on the Proposed Decision, and is largely supportive of its findings. SCE is particularly supportive of the Commission's approval of its proposed 2016 Energy Storage Procurement Plan, and its determination that the modifications proposed by the utilities for their 2016 solicitations are within the utilities' discretion to procure the products and services in the manner that meets their needs and risk tolerances. SCE's brief

comments address two aspects of the Proposed Decision. First, SCE recommends that the Commission’s requirement to provide a breakdown of Self-Generation Incentive Program (“SGIP”) Installations be documented in the utilities’ biennial procurement plans, rather than in contract approval applications, as SGIP installations have no relevance to, or bearing on, the utilities’ contract approval applications. Second, SCE voices its support for the utilities to provide additional information for distribution deferral storage projects, and agrees with the Proposed Decision’s removal of language requiring that the distribution deferral project be commensurate with or better than the traditional asset it is intended to defer. These comments are discussed in more detail below.

II.

COMMENTS

A. The Utilities Should Provide a Breakdown of SGIP Installations in the Biennial Procurement Plan, Not the Contract Approval Application

The Proposed Decision “direct[s] the utilities to provide a breakout of SGIP-funded energy storage installations by bundled, [Community Choice Aggregation (“CCA”)], and Direct Access customers as part of future biennial procurement contract approval applications.”¹ In those cases where a utility does not file an application for approval of energy storage contracts resulting from an energy storage biennial solicitation, the Proposed Decision instead requires the utility to file the breakout of SGIP-funded installations in a Tier 1 Advice Letter.²

As SCE indicated in its testimony supporting its 2016 Procurement Plan, SCE will coordinate with CCAs and Energy Service Providers (“ESPs”) to provide a breakdown of SGIP installations;³ SCE agrees that it is appropriate to provide this information to the Commission as

¹ Proposed Decision at 12.

² *Id.*

³ See SCE-01, Opening Testimony of M. Wallenrod, at Chapter III.D, pp. 23-24; footnote 33.

well through a formal filing. However, SCE is opposed to including this information in its biennial contract approval application, because SGIP installations have no bearing on, or relevance to, that application. Including such information in that filing would require parties solely with an interest in the SGIP breakdown to intervene in the utilities' respective contract approval applications. SCE believes that the most appropriate filing in which to provide the breakdown of SGIP Installations is SCE's biennial Energy Storage Procurement Plan application, not its contract approval application. The biennial Energy Storage Procurement Plan application is also filed every other year, and otherwise contains the utilities' installed SGIP MW and projected SGIP installations. This is the most logical place to include a breakdown by energy service provider. Further, this would eliminate the need for an alternative Advice Letter filing, because the biennial procurement application is a required filing.

Consistent with this recommendation, SCE suggests the Commission modify the Proposed Decision as follows:

Discussion on page 12 of the Proposed Decision:

Because customer-specific SGIP information is held confidential, accessible only by the SGIP Program Administrators,³⁰ additional information is needed in order to properly assign the MWs associated with SGIP-funded storage to each LSE's storage target. Therefore, we direct the utilities to provide a breakout of SGIP-funded energy storage installations by bundled, CCA, and Direct Access customers as part of future biennial procurement plan applications ~~contract approval applications~~. ~~In instances where a utility does not submit an application for approval of its storage contracts (for example, when energy storage contracts are being procured through a Local Capacity Requirement RFO), the utility should file a Tier 1 Advice Letter containing the breakout of SGIP-funded installations, served on parties to the current energy storage rulemaking (R.15-03-011), or any successor to the rulemaking.~~ Finally, in order to ensure consistency in reporting, we direct the utilities to consult with the Commission's Energy Division staff to develop the content and format for reporting the allocation of credits for SGIP-funded projects.

Ordering Paragraph 5:

~~5. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must provide a breakout of Self-Generation Incentive Program-funded energy storage installations by bundled, Community Choice Aggregators, and Direct Access customers as part of future biennial procurement plan contract approval applications. If a utility does not submit a storage specific application for approval of its storage contracts, the utility must file a Tier 1 Advice Letter containing the breakout of Self-Generation Incentive Program-funded installations, and serve it on parties to the energy storage rulemaking (Rulemaking 15-03-011), or its successor.~~

B. The Proposed Decision Requires Appropriate Information Concerning Future Distribution Deferral Projects

SCE supports the Commission’s inclusion of additional requirements for evaluating contracts for distribution deferral resulting from an Energy Storage solicitation,⁴ and plans to include additional information in its future applications for approval of such projects. SCE further agrees with the Commission’s decision that utilities not be required to show that “energy storage used to defer or substitute an investment in a traditional asset must be able to meet resource needs *commensurate with or better than the traditional asset* it is intended to defer.”⁵ As SCE indicated in its Reply Brief, it is premature at this time to establish this required showing insofar as these issues are currently being addressed through the DRP and IDER proceedings. Moreover, requiring the utilities to show that energy storage used to defer or substitute for an investment in a traditional asset is necessarily as good as or better than the traditional asset is not appropriate for all applications. For example, projects developed as part of a pilot program may have additional value and purpose beyond providing an economic substitute for traditional

⁴ Proposed Decision at 18.

⁵ *Id.* at 19 (emphasis added).

assets. Pilot projects provide the utility with useful information about the uses, value, and potential applications for energy storage, and should not be evaluated based on economics alone.

III.

CONCLUSION

SCE appreciates the opportunity to comment on the Proposed Decision, which should be adopted by the Commission with SCE's recommendations.

Respectfully submitted,

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