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

Application of San Diego Gas and Electric Company (U902E) for Approval of its 2018 Energy Storage Procurement and Investment Plan.

Application 18-02-016

And Related Matters.

Application 18-03-001

Application 18-03-002

**ASSIGNED COMMISSIONER'S AND ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS ON ISSUES PERTAINING TO ENERGY STORAGE TECHNOLOGY DIVERSITY**

This Assigned Commissioner and Administrative Law Judge's Ruling seeks responses from parties on questions related to prioritizing technology diversity in the Assembly Bill 2514 portions of Pacific Gas and Electric Company's, Southern California Edison's, and San Diego Gas and Electric Company's 2018 energy storage solicitations.

**Background**

On February 28, 2018, San Diego Gas and Electric Company (SDG&E) filed its application for approval of its 2018 Energy Storage Procurement and Investment Plan (Application (A.) 18-02-016). On March 1, 2018, Pacific Gas and Electric Company (PG&E) and Southern California Edison (SCE) filed their applications for approval of their 2018 Energy Storage Procurement and Investment Plans (A.18-03-001 and A.18-03-002, respectively).

SDG&E states in its application that it has already exceeded its 2018 Assembly Bill (AB) 2514 procurement target.<sup>1</sup> PG&E proposes in its application to procure up to 160 MW to meet its 2018 AB 2514 procurement target.<sup>2</sup> SCE states in its application that with Senate Bill 801 procurement it has already exceeded its 2018 AB 2514 procurement target.<sup>3</sup>

On May 24, 2018, Commissioner Peterman issued an Assigned Commissioner's Scoping Memo and Ruling for this proceeding. Included within the scope of topics to be considered in this proceeding was the question of whether technology diversity should be prioritized in the utilities' AB 2514 and AB 2868 solicitations for 2018.

Parties marginally addressed the topic of technology diversity in their testimony on AB 2514 solicitations. This ruling seeks to elicit additional information from parties on this topic, specifically as it relates to the AB 2514 solicitation for 2018.

## Questions

1. To date, approximately 89% of the contracts executed pursuant to the Commission's Energy Storage Procurement targets established in D.13-10-040 have been lithium ion batteries. There has also been an observed trend that the diversity of technologies bidding into Investor-Owned Utilities' Requests for Offers has become

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<sup>1</sup> Direct Testimony of Don Balfour on Behalf of San Diego Gas and Electric Company at DB-1.

<sup>2</sup> Pacific Gas and Electric Company 2018 Energy Storage Procurement and Investment Plan 2018 Assembly Bill 2514 Energy Storage Procurement Plan Prepared Testimony Volume 1 of 3 at 1-2.

<sup>3</sup> Testimony of Southern California Edison Company in Support of Its 2018 Energy Storage Procurement and Investment Plan at 5.

more limited from the 2014 solicitation to the 2016 solicitation.<sup>4</sup>

- 1.1 Can the Commission's stated goal in D.13-10-040 of transforming the energy storage market be considered achieved if a single energy storage technology comprises the majority of the owned and operated storage systems in PG&E, SCE and SDG&E's service territories? Why or why not?
2. Are there any grid or ratepayer-beneficial attributes of energy storage that storage technologies besides lithium ion batteries may adequately provide (i.e. long duration, safety)? If so, what are they? Are these attributes already captured in the utilities' cost-effectiveness valuation methodologies? If so, are they quantitative or qualitative values? Please list the relevant energy storage technology associated with each attribute.
3. Are there risks to ratepayers and the grid of utility energy storage portfolios comprised predominantly of a single energy storage technology?
4. If the Commission were to direct the utilities to prioritize technology diversity in their 2018 solicitations, but there are not enough sufficiently cost-effective bids to allow them to meet their 2018 procurement targets, does the 2020 solicitation provide sufficient opportunity for the utilities to procure the remaining capacity to meet their targets in a cost-effective manner?
5. If the Commission were to direct the utilities to procure a minimum amount of non-lithium ion technologies from their 2018 solicitation, what should that minimum threshold be based on, for example a minimum percentage of total capacity procured, a minimum number of energy storage technologies, or another metric/basis?

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<sup>4</sup> A.17-12-003, Pacific Gas & Electric Company Results of 2016 Energy Storage Solicitation Prepared Testimony Confidential Version at C-93.

If so, what would be an appropriate minimum threshold to ensure sufficient diversity in the procurement?

**IT IS RULED** that the Commission requests that parties to this consolidated proceeding respond to the questions posed in this ruling. Comments should address each question presented. It is not necessary to reproduce the questions, but responses should be numbered to match the questions addressed, or otherwise clearly identify the issue being discussed. Comments should not be of more than 15 pages may be filed and served not later than August 17, 2018. Reply comments of not more than 10 pages may be filed and served not later than August 24, 2018.

Dated August 8, 2018, at San Francisco, California.

/s/ CARLA J. PETERMAN

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Carla J. Peterman  
Assigned Commissioner

/s/ BRIAN R. STEVENS

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Brian R. Stevens  
Administrative Law Judge