Resolutions E-4876. Southern California Edison Company (SCE) requests approval of a new Station Power Tariff for Energy Storage Devices in Compliance with Decision 17-04-039.

PROPOSED OUTCOME:
• This Resolution approves SCE’s proposed new Schedule Station Power for Energy Storage Devices (SPESD) and Form 14-979, Station Power Agreement for Energy Storage Devices, with an effective date of the original date of filing.

SAFETY CONSIDERATIONS:
• There is no impact on safety.

ESTIMATED COST:
• There is no cost impact.

By Advice Letter 3609-E (Southern California Edison Company), Filed on May 26, 2017.

SUMMARY
This Resolution approves SCE’s proposed new Schedule Station Power for Energy Storage Devices (SPESD) and Form 14-979, Station Power Agreement for Energy Storage Devices, with an effective date of the original date of filing, May 26, 2017.

BACKGROUND
Decision (D.) 17-04-039, Ordering Paragraph (OP) 8, adopted rules for station power for electric storage devices, and required the investor-owned utilities to file Advice Letters (ALs) with proposed new station power Tariffs, as follows:
OP 8. No later than 30 days after the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must file advice letters to establish energy storage station power tariffs to:

- Confirm that all energy used for purposes other than for supporting a resale of energy back into wholesale markets is station power and inherently retail, subject to California Public Utilities Commission rules regarding netting of energy consumption;
- Confirm that all energy drawn from the grid to charge energy storage resources for later resale, including efficiency losses, should be subject to a wholesale rate;
- Define wholesale uses as charging energy, resistive losses, pumps (flow batteries and pumped hydro), power conversion system, transformer, battery management system, thermal regulation, and vacuum (for flywheels);
- Define Station Power uses as information technology and communications, lighting, ventilation, and safety; and
- Allow consumption to be netted against the response to the dispatch within a fifteen-minute settlement period, when a storage resource withdraws energy (charges) or injects energy (discharges) subject to a dispatch at a greater absolute value of energy than its station power consumption.

On May 26, 2017, SCE filed AL 3609-E, in which it requests the following:

1. Approval of new Schedule Station Power for Energy Storage Devices (SPESD).
2. Approval of new Form 14-979, Station Power Agreement for Energy Storage Devices, with an effective date of the original date of filing.
3. An effective date of 60 days after the CAISO implements rules effectuating in front of the meter (IFOM) energy storage device load participation in the wholesale markets.
NOTICE

Notice of Advice Letter 3609-E was made by publication in the Commission’s Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter (AL) 3609-E was timely protested by the Office of Ratepayer Advocates (ORA) on June 15, 2017. ORA’s protest focuses on SCE’s possible misapplication of station power rules to storage devices that are sitting idle, and neither charging nor discharging.

ORA cites the following two provisions in SPESD in AL 3609-E:

1.a.ii) When the energy storage device is Idle, any energy consumed onsite (and/or any mutually agreed upon amount as established on Form 14-979) is Station Power and subject to a retail rate.

1c) Idle: When the energy storage device is neither charging (consuming kWh) nor discharging (exporting kWh) over any entire 15-minute metered interval, regardless of whether the energy storage device is providing a service (e.g., ancillary service) to the grid during that same interval, but where Station Power may be consumed.

ORA states concern that SCE misinterpreted the Commission’s direction in D.17-04-039. Specifically, ORA interprets the decision to dictate that station power rules should extend to idle storage devices in the same manner as devices that are charging or discharging. ORA requests that the Commission order SCE to clarify its definition of wholesale and retail power.

SCE timely filed a reply to the protest on June 22, 2017. In its reply, SCE quotes passages from D.17-04-039, including the following sentence: Thus, we concur with the utilities that if a storage resource is idle, its onsite station power load is retail, which is consistent with SCE’s proposed treatment in AL 3609-E. SCE also responds that ORA’s request for the Commission to order further action as
“unnecessary and inappropriate.”

**DISCUSSION**

ORA’s Protest

SCE’s interpretation of the decision is correct – storage devices must pay retail for any load incurred while sitting idle and neither charging nor discharging. ORA’s protest is rejected.

SCE’s Request to Delay Effectiveness of SPESD

SCE requests an effective date of “…60 days after the CAISO implements rules effectuating energy storage device participation in the wholesale markets”. SCE does not justify or explain this request. We presume that SCE refers to the CAISO’s consideration of any station power rules for storage that it must include in its tariff, in its Energy Storage and Distributed Energy Resources (ESDER) Stakeholder Initiative.

CPUC staff and the CAISO have been working closely together on station power for storage, including the production of a joint proposal on station power on January 5, 2017, to ensure both appropriate rules and avoid regulatory conflict. Both agencies agree that station power is fundamentally a retail issue, and thus primarily within the jurisdiction of local regulatory authorities. The jurisdiction of the two agencies do not overlap in this regard.

In its Draft Final Proposal in ESDER Phase 2, issued on June 8, 2017, the CAISO clearly recognizes the need to avoid conflict between retail and wholesale definitions for station power. We do not see a need to further delay the effectiveness of station power rules contained within AL 3609-E, and reject SCE’s request.

We, therefore, assign an effective date of the original date of filing, May 26, 2017, consistent with the disposition of similar Advice Letters filed by SDG&E and PG&E.
COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1) Decision (D.) 17-04-039, Ordering Paragraph 8, established rules for station power for electric storage devices, and required each investor-owned utility, to file proposed new tariffs by May 26, 2017.

2) SCE filed Advice Letter 3609-E on May 26, 2017 requesting approval of new Schedule Station Power for Energy Storage Devices (SPESD) and Form 14-979, Station Power Agreement for Energy Storage Devices.

3) SCE’s proposed SPESD and Form 14-979 are reasonable and consistent with D.17-04-039.

4) SCE requests an effective date of “…60 days after the CAISO implements rules effectuating energy storage device participation in the wholesale markets”.

5) SCE’s request for a delay in effective date is not justified, and is unnecessary.

6) ALs 3609-E was protested by the Office of Ratepayer Advocates. This Resolution dismisses that protest.
THEREFORE IT IS ORDERED THAT:

1) SCE’s proposed new Schedule Station Power for Energy Storage Devices (SPESD) and Form 14-979, Station Power Agreement for Energy Storage Devices is approved.

2) SCE’s requested effective date is not approved. The effective date shall be May 26, 2017, the original date of filing.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 24, 2017, the following Commissioners voting favorably thereon:

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TIMOTHY J. SULLIVAN
Executive Director