

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



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Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes.

Rulemaking 20-05-003
(Filed May 7, 2020)

**LONG-DURATION ENERGY STORAGE COUNCIL
PETITION FOR MODIFICATION OF DECISION 21-06-035**

January 10, 2025

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	SUMMARY OF PETITION’S REQUESTED RELIEF	1
III.	BACKGROUND	2
IV.	PETITION FOR MODIFICATION	4
	A. Explanation for Why the Petition Could Not Have Been Presented Within One Year of Decision 21-06-035	4
	B. The LDES Council’s Interests are Affected by the Decision’s Determination of What Constitutes Long-Duration Storage Resources Eligible for the MTR Procurement Obligation and an Explanation for Why the LDES Council did not Previously Participate in the Proceeding.	6
	C. Justification for the Relief Requested by Petitioner	6
	1. Additional Clarity on the Eligibility of Long-Duration Storage Resources to Meet the Mid-Term Reliability Procurement Obligation Will Avoid Varying Interpretations of this Requirement	6
	2. Some LSEs Are Interpreting Long-Duration Storage Resource as Allowing Derated Short-Duration Storage Facilities	8
	3. Modification of the Guidance on Eligible Long-Duration Storage Supports Resource Diversity and Reliability Goals of the Commission’s Integrated Resource Planning Program.....	9
	D. Proposed Specific Wording to Carry out the Requested Modifications to Decision 21- 06-035 and Related Relief	10
V.	THE COMMISSION SHOULD RESOLVE THIS PEITION ON AN EXPEDITED TIMELINE.....	12
VI.	CONCLUSION.....	12

Attachment A: Pacific Gas and Electric Company’s Long Lead Time Request for Offers
Solicitation Protocol, October 15, 2024 (in part)

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I. INTRODUCTION

Pursuant to Rule 16.4 of the California Public Utilities Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure, the Long-Duration Energy Storage Council (“LDES Council” or “Petitioner”) respectfully submits this Petition for Modification (“PFM” or “Petition”) of Decision (“D.”) 21-06-035 (“Decision”), which requires procurement of at least 11,500 megawatts (“MW”) of additional net qualifying capacity (“NQC”) by all of the load-serving entities (“LSEs”) subject to the Commission’s integrated resource planning (“IRP”) authority to address mid-term (2023-2026) reliability (“MTR”) needs of the electricity system within the California Independent System Operator’s (“CAISO’s”) operating system.¹ This Petition is submitted for the limited purpose of adding clarifying language to prevent any misinterpretation of the Commission’s definition of long-duration storage that will become operational during the MTR period and is required for procurement.

II. SUMMARY OF PETITION’S REQUESTED RELIEF

LDES Council petitions the Commission to expeditiously modify Decision 21-06-035 to add needed clarification regarding resource eligibility for the long-duration storage category of long lead-time (“LLT”) resources.² Such clarification is necessary to ensure that LSE procurement of long-duration storage is consistent with the intent and plain language of the Decision. Recently, the need for the Commission to provide further guidance on long-duration storage eligibility has become apparent as procurement activity has come to light indicating that LSEs may procure, or may seek to procure, derated short-duration battery energy storage resources to meet their MTR long-duration storage procurement obligation. An LSE proposing

¹ D.21-06-035 (June 24, 2021) at 1.

² LDES Council filed its Motion for Party Status with the Commission on January 7, 2025.

to derate a short-duration battery in this manner may, for example, treat a 100 MW, four-hour battery project as a 50 MW, eight-hour long-duration storage project. This compliance approach toward the MTR long-duration storage obligation presents a significant loophole that was not intended by the plain language of the Decision or its discussion supporting the need for long-duration storage, which requires that long-duration storage must be “able to deliver at maximum capacity for at least eight hours from a single resource.”³ This Petition’s proposed modifications to the Decision will provide the necessary guidance for LSEs and Commission Staff to assess what resources are truly compliant long-duration storage resources, thereby avoiding any misinterpretation or misunderstanding as to what energy storage resources are eligible for the MTR procurement obligation.

Specifically, Petitioner’s requested relief is for modification of the Decision’s description of LLT long-duration storage resources to clarify that a standalone storage resource, or the storage component of a hybrid or co-located storage resource, cannot qualify for mid-term reliability procurement of long-duration storage if its full capacity capability cannot be discharged for at least eight hours. Additionally, the Decision should be modified to ensure that the actual, full capacity of a procured short-duration battery storage resource cannot be reduced – i.e., derated – to “stretch” that resource over an eight-hour or more period for purposes of meeting the MTR long-duration storage procurement obligation.

III. BACKGROUND

To address the reliability needs of the CAISO’s operating system resulting from forecasted retirements of certain firm resources and to help achieve greenhouse gas emission reduction targets, Decision 21-06-35 requires LSEs to procure at least 11,500 MW of incremental NQC in the mid-term period.⁴ The Decision found that LLT resources will provide important resource diversity, renewable integration, and system reliability benefits.⁵ The LLT resources are comprised of two categories: (1) long-duration storage resources and (2) zero-emitting resources or resources eligible under the renewable portfolio standard program that have

³ D.21-06-035 at 94-95 (Ordering Paragraph 2). This Petition refers to the 2026-2031 period for LLTs to achieve operation as the MTR period, as supported and explained in Section III, herein.

⁴ D.21-06-035 at 87 (Findings of Fact 5 and 6).

⁵ D.21-06-035 at 88 (Finding of Fact 13).

at least an 80 percent capacity factor. The Decision calls for LSEs to procure a minimum of 1,000 MW from the long-duration storage category and a minimum of 1,000 MW from the firm-zero emitting resource category.⁶ These amounts are allocated to LSEs in proportion to their overall load adjusted by their peak load contribution.⁷ The Decision further encourages joint and/or coordinated procurement of LLT resources by multiple LSEs.⁸

The Decision orders that long-duration storage must be “able to deliver at maximum capacity for at least eight hours from a single resource.”⁹ The Decision explains that long-duration storage must be able to discharge at maximum capacity over *at least* an eight-hour period from a single resource, while recognizing that “12 hours or even multi-day storage options may be even more favorable, given the grid needs.” The Decision further encourages LSEs to “strive to increase the diversity of resources on the grid with this category if possible,”¹⁰ and provides that long-duration storage may not be comprised of multiple resources that could be dispatched sequentially.¹¹

The Decision required procurement of LLT resources capable of meeting a June 1, 2026 online date, with possible extension to 2028.¹² With subsequent decisions in this rulemaking, the period for showing compliance with the obligation of LLT resources has been extended to June 1, 2028,¹³ and where good faith efforts are shown and a bridging obligation is met (if applicable for the LSE), the last permissible day for resources meeting this MTR obligation to come online is June 1, 2031.¹⁴ This Petition therefore refers to the 2026 to 2031 period as the MTR timeframe for the procurement and operation of LLT resources. Additionally, the Decision

⁶ D.21-06-035 at 35-36, and 94-95 (Ordering Paragraph 2).

⁷ D.21-06-035 at 3.

⁸ D.21-06-035 at 37, 91 (Conclusion of Law 11).

⁹ D.21-06-035 at 94-95 (Ordering Paragraph 2).

¹⁰ D.21-06-035 at 35-36.

¹¹ D.21-06-035 at 84 (“SCE specifically requested that we clarify whether the requirements for the long-duration storage category, requiring at least 8-hour discharge, must be met by a single resource or multiple resources that could be dispatched sequentially. We intended it to be met by a single resource and have modified the decision to make this clear.”).

¹² D.21-06-035 at 94-96 (Ordering Paragraphs 2, 3, and 5.).

¹³ D.23-02-040 at 27, 83 (Concl. of Law 7).

¹⁴ D.24-02-047 at 100-104.

provides that the procurement it requires be contracted for a term of at least ten years, which is not required to run from the resource's online date, "in order to induce developers of resources to make large capital investments and finance their projects," and to avoid the likelihood that shorter-term contracts will lead to higher annual costs borne by ratepayers.¹⁵

As consideration and approval of a new programmatic procurement framework, specifically the Reliable and Clean Power Procurement Program, has been considerably delayed, the IRP rulemaking's existing LSE procurement orders for LLT resources are the only means by which LSEs are encouraged to procure long-duration storage projects pursuing online dates during the mid-term period.

IV. PETITION FOR MODIFICATION

A. Explanation for Why the Petition Could Not Have Been Presented Within One Year of Decision 21-06-035

This Petition could not have been presented within one year of the effective date of D.21-06-035 (June 24, 2021) because the LSEs were not required to disclose the relevant compliance information during the year following the Decision and significant efforts to procure the MTR long-duration storage mandate had not occurred within that timeframe.

Further, the Decision did not require LSEs to "submit good faith effort" of procurement of LLT resources until a year and a half after the decision (February 1, 2023), and the Decision opened the door to allowing the Commission to extend the online dates for LLT resources up to June 1, 2028.¹⁶ Subsequent decisions in the IRP rulemaking have further pushed the LLT procurement obligation dates to June 1, 2028, with the potential for resources to come online by the end of the MTR period (June 1, 2031). As such, documentation showing the necessary compliance with the LLT resource obligation can be made as late as June 1, 2028. Therefore, neither the Commission nor other parties could have known or predicted the means by which LSEs were seeking to fulfill or already fulfilling their long-duration storage obligation within a year of D.21-06-035.

¹⁵ D.21-06-035 at 70.

¹⁶ D.21-06-035 at 95-96 (Ordering Paragraph 5).

In fact, Petitioner did not have actionable information regarding LSEs' varying interpretations of D.21-06-035's long-duration storage definition until very recently. For example, the most recent Pacific Gas and Electric ("PG&E") solicitation for MTR LLT resources, issued on October 15, 2024, allows for a responding storage resource to bid as either a short-duration storage resource or a long-duration storage resource with a lower capacity figure.¹⁷ PG&E's solicitation's guidance for responding participants states, "The capacity that the storage is able to deliver for eight hours may be less than the facility's installed MW or interconnection limit. Counting towards the LLT procurement targets will be limited to the maximum eight-hour capacity. PG&E will consider technology diversity, including the ability to discharge beyond eight hours."

Further, following conversations with its members who are marketing their own long-duration storage technologies, the LDES Council only recently appreciated the necessity for this petition. Specifically, these conversations revealed that certain member companies, offering legitimate long-duration storage resources capable of eight hours or more of continuous energy discharge at maximum capacity from a single resource, are in some instances being forced to compete with derated four-hour (i.e., short-duration) battery storage projects to meet long-duration MTR obligations.

For the reasons described above, the Commission should find that the misinterpretation this Petition seeks to address could not have been identified within a year of the Decision.

¹⁷ Pacific Gas & Electric, Long Lead Time Request for Offers Solicitation Protocol, October 15, 2024, at p. 9, fn 12. This document is a matter that can be officially noticed as its issuance and the text therein is not reasonably subject to dispute and is capable of immediate and accurate determination by resort to sources of reasonably indisputable accuracy. (Cal. Evid. C. Section 452(h).) At the time of this petition, the PG&E solicitation is not readily available online. (See PG&E webpage requiring registration with Power Advocate to view solicitation <https://www.pge.com/en/about/doing-business-with-pge/wholesale-electric-power-procurement/long-lead-time-rfo.html#:~:text=Overview,1%20of%20the%20Solicitation%20Protocol>.) As such, Petitioner is including the referenced pages of the PG&E solicitation as Attachment A.

B. The LDES Council's Interests are Affected by the Decision's Guidance of What Are Eligible Long-Duration Storage Resources for the MTR Procurement Obligation and an Explanation Why the LDES Council did not Previously Participate in the Proceeding

The LDES Council is a global non-profit organization with a mission to accelerate decarbonization of the energy system at the lowest cost to society by driving the innovation, commercialization, and deployment of long duration energy storage. In pursuit of this mission, the LDES Council provides guidance to governments and grid operators on the appropriate solutions for long-duration storage applications. The LDES Council's work supports over 60 members, many of which are developing long-duration energy storage projects located in the United States. The LDES Council's mission is specific to the deployment of long-duration storage, and therefore the Council is directly affected by how long-duration storage is interpreted in California, a state serving as a global leader in zero-carbon energy solutions. Additionally, the Council advocates on behalf of its members that are either developing long-duration storage solutions in California or are planning to do so, and are therefore affected by not only the plain language of the Commission's decisions regarding long-duration storage eligibility, but also burdened by alternative interpretations of such eligibility language in efforts to develop and market these resources.

The LDES Council was formally launched at the United Nations UN Climate Change Conference, "COP26," in Glasgow on November 4, 2021. Accordingly, the LDES Council was not formed until after D. 21-06-035 was issued. As the LDES Council has matured, it has grown its outreach and advocacy efforts. Merely due to the relatively young nature of the organization, the LDES Council did not participate in this proceeding at an earlier time.¹⁸

C. Justification for the Relief Requested by Petitioner

1. Additional Clarity on the Eligibility of Long-Duration Storage Resources to Meet the Mid-Term Reliability Procurement Obligation Will Avoid Varying Interpretations of this Requirement

Petitioner requests modification of D.21-06-035 in order to reiterate and clarify that only storage resources designed and capable of delivering energy at that single resource's maximum capacity for eight hours or more are eligible to meet the long-duration storage procurement

¹⁸ LDES Council filed its Motion for Party Status with the Commission on January 7, 2025.

obligation. This request is consistent with and supportive of the plain language and intent of D.21-06-035, which does not authorize treating resources capable of four-hour discharge at a higher capacity and resources capable of eight-hour discharge at a significantly reduced capacity for purposes of meeting the long-duration storage procurement obligation. Indeed, if this loophole is permitted, then the D.21-06-035 eligibility language that long-duration resources be capable of “discharge at maximum capacity over at least an eight-hour period from a single resource” would be meaningless, as there would be no category of LLT long-duration storage resources that could be distinguished from short-duration storage resources.

The Decision identifies long-duration storage as an LLT resource.¹⁹ These LLT long-duration storage resources have “inherent permitting, construction, and financing challenges.”²⁰ LLT resources are also “expected to be procured in the longer term, five years out or more, instead of immediately.”²¹ The same is not true for a four-hour battery resource masquerading as an eight-hour battery resource by manipulating the listed maximum capacity of that resource. Indeed, D.21-06-035 was intended to support the development of legitimate LLT long-duration storage resources – not the development of more storage resources with a shorter-term (i.e., four-hour) discharge capacity profile.

If this loophole is permitted to persist, this misinterpretation of long-duration storage resources will create significant inequities. The growing “distinction without a difference” approach to long-duration storage will position LSEs complying with the clear intent of D.21-06-035 and procuring legitimate long-duration energy storage at a disadvantage compared to those LSEs procuring storage projects that are derated and shown as having an extended discharge period under their derated capacity. This tactic also harms developers competing to provide resources authorized under D.21-06-035 because competition requires a common understanding of which resources satisfy which procurement category, and each developer must be on a fair competitive footing with long-duration storage resources that have similar discharge attributes, regardless of the selected energy storage technology.

¹⁹ D.21-06-035 at 2. See also D.24-02-047 at 31 (Finding of Fact 21).

²⁰ D.24-02-047 at 100.

²¹ D.24-02-047 at 101.

2. Some LSEs Are Interpreting Long-Duration Storage Resources as Allowing Derated Short-Duration Storage Facilities

Some LSEs' misrepresentation of short-duration battery resources as being eligible to meet the long-duration storage obligation has also become apparent in LSE solicitations. As noted above, PG&E's October 2024 LLT MTR solicitation erroneously states that "the capacity that the storage is able to deliver for eight hours *may be less than the facility's installed MW* or interconnection limit. Counting towards the Mid-Term Reliability procurement targets will be limited to the maximum eight-hour capacity."²² The type of long-duration storage resource required under the plain language of D.21-06-035 – i.e., a resource capable of delivering at maximum capacity for at least eight hours from a single resource – is clearly different than what is being sought in this solicitation's description. Nowhere in D.21-06-035 is there indication that a single resource can have differing maximum capacities under multiple discharge timeframes. A resource that is only able to deliver for eight hours at "*less than the facility's installed MW*" is, by definition, not a resource that must be able to deliver at "*maximum capacity for at least eight hours from a single resource.*"

Notably, a question regarding this method of compliance with the long-duration storage requirement arose prior to the issuance of the Decision. In its reply to comments on the proposed decision leading to D.21-06-035, Southern California Edison ("SCE") requested the following clarification:

The Commission should clarify that long-duration storage does not need to be provided by an 8-hour storage resource and that two 4-hour storage resources *or any other storage resource* or combination of resources that can provide continuous output over eight consecutive hours would qualify.²³

While in response to SCE's inquiry, the Decision does express the intention that the long-duration storage requirement be met by a single resource, not multiple resources dispatched sequentially, the Decision does not directly address the "any other storage resource" portion of this question. Again in 2022, SCE raised this point in its comment in this proceeding on the *Administrative Law Judge's Ruling Seeking Comments on Staff Paper on Procurement Program*

²² Pacific Gas & Electric, Long Lead Time Request for Offers Solicitation Protocol, *supra* fn 7.

²³ Southern California Edison Company's (U 338-E) Reply Comments on Proposed and Alternate Proposed Decisions Requiring Procurement to Address Mid-Term Reliability (2023-2026), July 15, 2021, at 4 (emphasis added).

*and Potential Near-Term Actions to Encourage Additional Procurement.*²⁴ SCE specifically asked the Commission to “clarify that an energy storage resource’s derated nameplate capacity that can be discharged for eight hours may count toward the long-duration storage requirement in D. 21-06-035.”²⁵ The Commission has not responded to SCE’s request for clarification, potentially leaving some LSEs under the impression that this aspect of the Decision is unresolved.²⁶

Certain of Petitioner’s members’ experience in the California market also indicates that LSEs are not being provided the appropriate guidance necessary to pursue procurement of legitimate LLT long-duration storage resources, as compliance signals are apparently being sent indicating that LSEs can meet MTR obligations with derated four-hour battery storage projects.

3. Modification of the Guidance on Eligible Long-Duration Storage Supports Resource Diversity and Reliability Goals of the Commission’s Integrated Resource Planning Program

An interpretation of LLT long-duration storage eligibility that allows short-duration storage resources to be represented and marketed as either or both short- or long-duration storage directly subverts the Commission’s intent to support resource diversity and reliability through its procurement mandates. Allowing such an interpretation to become established practice will drive more development and procurement of the same short-duration battery storage projects that are already prevalent in California, and which were not intended to be supported by either the Decision or subsequent IRP decisions extending the procurement and online dates for those resources facing development hurdles specific to LLT resources.

The Decision states that inclusion of long-duration storage in the LLT requirement “will help diversify the grid resources and improve reliability and renewables integration.”²⁷ The Commission has agreed with “parties seeking more diversity of resource types to represent long-

²⁴ Comments Of Southern California Edison Company (U 338-E) in Response to ALJ Ruling Seeking Comment on Potential Near-Term Actions to Encourage Additional Procurement, Sept. 26, 2022.

²⁵ Id. (arguing for an LSE to have the option to count towards the long-duration storage requirement an energy storage project with a 100 MW nameplate capacity at a derated 50 MW for eight hours).

²⁶ See D. 21-06-035 at 84.

²⁷ D.21-06-035 at 88 (Finding of Fact 14).

duration storage.”²⁸ The Commission has also explained, “[w]hile we generally prefer to be technology-neutral, there are instances where too much of a least-cost option leads to its own set of challenges. We are facing this situation now due to the confluence of several factors: an abundance of solar energy, the impending loss of a large chunk of nuclear capacity, and the retirement of a number of OTC thermal plants. This means a reduction in the system’s ability to supply firm and/or dispatchable energy when the grid needs it most.”²⁹ Efforts to diversify the storage resources providing reliability to the CAISO operating system will be for naught if the Commission allows an interpretation of the LLT procurement requirement that eliminates the distinction between long- and short-duration storage projects.

Without proper execution of the MTR decisions’ orders, which have each been carefully considered by the Commission in order to reliably achieve California’s greenhouse gas reduction targets, a diverse portfolio of long-duration storage resources will not be timely developed or available to contribute to the transition to a renewable and zero-carbon energy future. To achieve these goals, the Commission needs to provide further clarification of long-duration storage eligibility in line with a consistent and plain reading of its order identifying eligible resources for MTR procurement. Without the clarifications requested in this Petition, the Commission risks sending a message to long-duration storage and other LLT resource developers that the plain language of its decisions cannot be relied upon, and California could lose access to the innovative long-duration storage resources needed to ensure system reliability in the longer term.

D. Proposed Specific Wording to Carry out the Requested Modifications to Decision 21-06-035 and Related Relief

To provide the clarity needed to ensure the LLT long-duration storage resource category is not being met by shorter-term battery storage resources, Petitioner proposes the following revisions and additions to D.21-06-035.

1. Revise Section 5.2.1 Long-lead-time resources, pages 35-36 as follows:

First, we note, as several parties did in comments, that long-duration storage is already a resource-neutral designation that may be met by a number of

²⁸ D.22-02-004 at p. 121, in the context of the TPP.

²⁹ D.21-06-035 at 35.

different technologies. We have specified that long-duration storage must be able to discharge at maximum capacity over at least an eight-hour period from a single resource, though we also note that 12 hours or even multi-day storage options may be even more favorable, given the grid needs. **Maximum capacity for a long-duration storage resource means the full capacity capability of a resource's installed storage component.** LSEs should bear these considerations in mind when evaluating proposals to deliver long-duration storage, and strive to increase the diversity of resources on the grid with this category, if possible. **In addition, long-duration storage is a resource category of long lead-time resources that is distinct from short-duration storage, and the maximum capacity of a storage resource may not be reduced in order to extend the discharge period to meet the minimum eight-hour period. This standard also applies to the storage component of a hybrid or co-located resource.**

2. Revise ordering paragraph 2, pages 94-95 as follows:

2. Long-lead time resource required by this order by June 1, 2026 shall be defined as:

(a) at least 1,000 megawatts (MW) of long-duration storage (able to deliver at maximum capacity, **i.e., the full capacity capability of the installed storage technology,** for at least eight hours from a single resource); and

(b) at least 1,000 MW of generation capacity that has no on-site emissions or is eligible under the requirements of the renewables portfolio standard program, and has at least an 80 percent capacity factor. The resource must not be use limited or weather dependent. No storage projects shall qualify under this provision.

3. Add new ordering paragraph:

Load-serving entities may not meet the long-duration storage requirement by reducing the full potential maximum capacity of a storage resource and extending the delivery period of that resource over an eight-hour or more

period at the reduced capacity output. This standard also applies to the storage component of a hybrid or co-located resource.

Furthermore, to effectuate these modifications, Petitioner requests that the Commission order the Energy Division to revise the latest version of “Energy Division Staff’s Responses to Frequently Asked Questions on Mid-Term Reliability Procurement Decision (D.) 21-06-035,” posted on the Commission website’s IRP Procurement Track page.³⁰ This document provides Energy Division staff’s interpretation of CPUC Decisions relevant to LSE IRP procurement requirements, and it currently does not address the question of whether battery storage resources’ actual, full capacity capability may be derated in order to expand the discharge period to meet the eight-hour discharge requirement for long-duration storage. Considering the influential nature of this guidance document, it should be revised consistent with the modifications proposed by this Petition.

V. THE COMMISSION SHOULD RESOLVE THIS PETITION ON AN EXPEDITED TIMELINE

The LSEs’ next bi-annual procurement filings are due June 1, 2025. In the lead up to these submissions, LSEs work diligently to further their progress toward meeting their mid-term reliability obligations. Although Rule 16.4 does not set a deadline by which the Commission must reach a decision on a PFM, in the interest of ensuring that LSEs have the clarity needed to timely secure the compliant long-duration storage intended by the Decision with the greatest possible runway for LLT resources to be online during the MTR period, the LDES Council requests that the Commission review and rule on this Petition on an expedited timeline. Specifically, the LDES Council requests that the Commission allow a shortened timeline for responses to this petition of 15 days, and respectfully requests that a proposed decision be issued in time for a final decision to be considered no later than the April 3, 2025 Commission voting meeting.

VI. CONCLUSION

For the reasons discussed above, the LDES Council respectfully requests that the Commission modify Decision 21-06-035 to provide needed clarification regarding the eligibility

³⁰ This document is available at http://www.cpuc.ca.gov/irp_procurement.

of long-duration storage resources sought to be available during the MTR period. Specifically, this Petition requests modifications that will clarify that short-term battery storage resources may not be accounted for in a manner that allows these resources to masquerade as long-duration storage projects by derating the actual capacity of the resources over a longer discharge period. To provide immediately needed direction to LSEs that are currently in the process of procuring MTR resources, Petitioner requests that the relief requested herein be ordered on an expedited timeline.

DATED: January 10, 2025

Respectfully submitted,

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ATTACHMENT A

(PG&E Solicitation)



Long Lead Time Request for Offers Solicitation Protocol

October 15, 2024

If you encounter any digital or disability access issues, or you would like to provide PG&E with feedback or suggestions regarding such access, please e-mail our team at solicitationaccessibility@pge.com. This mailbox is monitored during regular business hours (M-F; 8am-5pm). We will respond to your inquiry within 2 business days.

II. PG&E Requirements

PG&E will accept Offers for a single standalone resource and/or a portfolio of resources.

2. **LDES Resources**

I. Decision Requirements

Projects should be comprised of a single storage resource that is able to deliver at maximum capacity for at least eight hours.¹²

II. PG&E Requirements

Projects must be offered by a Participant with operational experience using the proposed technology. In Appendix B, PG&E asks for the Participant to demonstrate that the proposed technology for this Solicitation has a completed project of similar capacity and configuration as the proposed Project. Participant should be able to provide the operational data upon request.

III.B. Imports

For Participants offering a Project that is all or partially outside of California Independent System Operator's ("CAISO") footprint ("Import Offers"), the Participant is directed to fill out the offer form ("Offer Form") as projects inside the CAISO. Execution of any import Agreement is subject to PG&E's assessment and evaluation that the resource will be able to provide RA over the full contract term. Per the Decisions, Import Offers for resources located outside the CAISO footprint will be considered if the Project otherwise meets the eligibility requirements for the LLT category. As noted in Section VIII, PG&E has a preference for resources located in the CAISO footprint due to uncertainty of import allocation rights in the future.

Imports must:

- (1) follow the CPUC and CAISO RA import rules in place at time of execution;
- (2) come from new resources or increased capacity from existing resources, with online dates later than June 24, 2021; and
- (3) Meet all required characteristics of a LLT resource, as summarized in Section III.A.¹³

¹² *Id.*, Ordering Paragraph 2(a). The capacity that the storage is able to deliver for eight hours may be less than the facility's installed MW or interconnection limit. Counting towards the LLT procurement targets will be limited to the maximum eight-hour capacity. PG&E will consider technology diversity, including the ability to discharge beyond eight hours.

¹³ Decision 21-06-035, Ordering Paragraph 7.