BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE TO THE PETITION OF THE CALIFORNIA SOLAR & STORAGE ASSOCIATION TO MODIFY D.20-06-017 TO REMOVE AN ENERGY STORAGE SIZING LIMIT

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Pursuant to Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC" or "Commission"), the California Energy Storage Alliance ("CESA") hereby responds to the *Petition of the California Solar & Storage Association to Modify D.20-06-017 to remove an Energy Storage Sizing Limit ("the Petition")* filed by the California Solar & Storage Association (CALSSA) on June 13, 2025.

I. INTRODUCTION

CESA is a 501(c)(6) membership-based advocacy group committed to advancing the role of energy storage across scales, technologies, and business models. CESA represents developers, installers, and owner-operators of behind-the-meter ("BTM") energy storage systems. CESA and its members recognize the importance of SGIP's Equity and Equity Resiliency Budgets in making BTM storage accessible to local governments, tribes, and other members of disadvantaged communities.

II. CESA SUPPORTS THE PETITION AND URGES ITS SPEEDY ADOPTION.

CESA strongly supports the Petition requesting permanent removal of the 150% cap on energy storage sizing under California's Net Energy Metering (NEM) and Net Billing Tariff (NBT) programs.

The 150% cap, originally intended to limit energy storage systems to a size proportional to associated solar generation, is now outdated and counterproductive, and if reinstated will limit progress towards California's clean energy and resiliency goals. As detailed in CALSSA's petition, now that data is finally available, it has become evident that a substantial and growing share of paired solar and storage systems under NBT exceed the 150% threshold[1]—a clear indication of market and customer need. Permanent removal of the cap will ensure that future customer-sited storage systems can continue to be effective and support grid stability and resilience.

Removing this cap will:

- **Enhance Resiliency:** Customers need the flexibility to install storage with sufficient discharge capacity to handle critical loads during outages—especially as climate-driven disruptions intensify.
- **Support Electrification Goals:** Larger battery capacity is essential to enable customers to power heat pumps, EV charging, and electric appliances while managing costs and peak loads.
- **Support Customer Choice and Equity:** A growing number of vendors are offering storage systems that offer higher capacity output, in excess of the 10 kW threshold above which the existing size limit applies. Customers, notably those with

[1] The Petition, p. 3

smaller solar systems, will be foreclosed under the size cap from selecting these products, greatly limiting their options.

CESA appreciates the concerns the utilities have raised regarding a policy that allows storage of any size to avail itself of benefits that are intended for NEM/NBT systems, in particular the socialization of grid upgrade costs that large storage projects that charge from the grid might trigger. To address this, we support the Petition's proposal to implement cost responsibility provisions for customers whose storage systems exceed the 150% threshold and charge from the grid. This addresses reasonable concerns about infrastructure cost responsibility without the downsides of a hard limit on the size of storage system that can be deployed and used in tandem with onsite solar.

Importantly, CALSSA's petition addresses previous concerns raised by the Public Advocates Office and affirmed by the Commission in D.24-11-004 regarding timeliness and evidentiary support.[2] The PFM proposes specific wording changes to D.20-06-017 and explains that the necessary data was not available within one year of the D.20-06-17. As the PFM aptly notes, D.20-06-017 found that "*it would be appropriate for the changes to the NEM tariff be in effect for three years while additional information about the impacts of the change can be collected and evaluated.*"[3] It behooves the Commission to evaluate the available data before reinstating the 150% cap.

We urge the Commission to adopt CALSSA's petition and approve the recommended modifications to D.20-06-017. This change will help California advance its decarbonization,

[2] The Petition, p. 3-6
[3] D.20-06-017, p. 41.

resilience, and reliability goals in a rapidly evolving energy landscape.

We urge timely action to avoid a temporary reinstatement of the 150% cap in August 2025, potentially followed by another removal of the cap shortly thereafter. This would create significant and unnecessary market uncertainty for developers and customers currently designing and permitting projects. Alternatively, a brief extension of the suspension of the sizing limit could provide continuity and clarity while preserving the Commission's ability to conduct a thorough review.

III. CONCLUSION

CESA appreciates the opportunity to respond to the Petition and respectfully requests that the Commission move to approve it expeditiously. We thank the Commission for its leadership in advancing clean, resilient, and equitable energy systems.

Respectfully submitted on July 3, 2025

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