

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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

Rulemaking 25-06-019

**ESVOLTA'S COMMENTS ON THE ADMINISTRATIVE LAW JUDGE'S RULING  
SEEKING COMMENTS ON ELECTRICITY PORTFOLIOS FOR 2026-2027  
TRANSMISSION PLANNING PROCESS AND NEED FOR ADDITIONAL  
RELIABILITY PROCUREMENT**

Respectfully submitted,

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esVolta, L.P. (“esVolta”) submits these targeted comments in response to the Administrative Law Judge’s September 30, 2025, ruling regarding (1) the 2026–2027 Transmission Planning Process (TPP) portfolios and (2) a potential interim procurement order. As explained below, esVolta supports a tranche-based interim procurement; (ii) requests a technology-neutral NQC framework; (iii) and opposes any storage-specific discrimination.

**I.       ESVOLTA OVERVIEW**

esVolta is a US-based company, founded in 2017, and headquartered in Newport Beach, CA. Focused on sustainability and innovation, we develop, own, and operate reliable utility-scale energy storage assets across the entire lifecycle - delivering value for utilities, energy users, and investors. esVolta is one of the largest preeminent standalone storage developers, owners, and operators in the US.

esVolta is leading the energy transition as an independent power producer with integrated capabilities across development, construction, commercial optimization, and asset management, and bolstered by legal and financial innovation. With 1.7 GWs of operating or in-construction

battery energy storage across the US, a battery storage development pipeline across the US of over 25GWhs, and over 425 MWhs of operating or in-construction battery energy storage assets in California, esVolta is uniquely qualified to provide a perspective in this proceeding. Our team of experts combines decades of technical experience with a deep understanding of industry dynamics, ensuring seamless project execution.

## **II. CONTEXT OF POLICY EVOLUTION**

### **A. Policy Shifts and Reliability Needs Support the Commission’s Proposal for an Additional Reliability Procurement**

Since the Commission’s last mid-term procurement order, federal policy has shifted in ways that materially affect near-term resource costs, timing, and portfolio feasibility. The federal FY 2025 reconciliation bill, the One Big Beautiful Bill Act (“OBBBA”), accelerates the phase-down of the investment and production tax credits for new wind and solar that have not commenced construction by July 4, 2026, or are placed in service by 2027. Further, pending Foreign Entity of Concern (“FEOC”) compliance requirements from the OBBBA could impose constrictive timelines for 48E technology-neutral projects potentially creating risks that may jeopardize federal tax credit eligibility for certain projects. The Commission initiating an immediate procurement inclusive of standalone battery storage will assist the industry in navigating and mitigating such challenges. Finally, the tariff landscape has evolved significantly over the last ten months threatening to increase costs of resources that have demonstrated previous cost-efficiency and effectiveness.

Considering these federal actions, Governor Newsom’s Aug. 29, 2025, Executive Order N-33-25 (EO N-33-25) aimed to accelerate clean-energy buildout by prioritizing projects that can capture IRA tax credits and be online quickly. esVolta supports the Governor’s actions and the

objectives in the Executive Order, such as “bring[ing] new generation and storage resources online for reliability, affordability, and decarbonization” and “securing the benefit of federal tax credits for such resources”.<sup>1</sup> Governor Newsom also provided guidance that “immediate action is needed to maximize the expiring federal production and incentive tax credits for clean energy projects able to begin construction by July 2026 or come online by December 2027.”<sup>2</sup> We support the Commission in its efforts to use its regulatory authority to facilitate these objectives.

**B. Initiating An Expedited Procurement Inclusive of Standalone Battery Energy Storage Can Provide California with a Multitude of Reliability Benefits Needed in the Near-Term**

Battery Energy Storage System (“BESS”) projects have rapidly become backbone components of a reliable power grid, reliably delivering net-peak capacity, frequency support, and congestion relief while absorbing midday over-generation and shifting it to evening demand. According to the Energy Information Administration (EIA), in 2024, CAISO curtailed 3.4 million MWhs of utility-scale wind and solar output, a 29% increase from the amount of electricity curtailed in 2023 of which solar accounted for 93% of all the energy curtailed in CAISO in 2024”.<sup>3</sup> Standalone battery energy storage is electron-agnostic and electron-neutral in that it stores excess generation produced by all resources—solar, wind, natural gas, coal, and nuclear generation—when the distribution and transmission system experiences congestion and constraints, so renewable and other resources are not lost due curtailments. California can use every electron available to meet its resource adequacy, reliability and energy goals.

With a typical 12–18-month development and construction timeline, BESS is the most viable and financeable near-term tool to close reliability gaps forecast for 2028–2032, especially

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<sup>1</sup> August 25, 2025, Executive Order, N-33-25, Issued by California Governor Gavin Newsom.

<sup>2</sup> Id.

<sup>3</sup> In-Brief Analysis, [Solar and wind power curtailments are increasing in California](https://www.eia.gov/todayinenergy/detail.php?id=65364#), EIA, May. 27, 2025, <https://www.eia.gov/todayinenergy/detail.php?id=65364#>

as offshore wind and other long-lead resources face permitting, supply-chain, tariff, and FEOC uncertainties. By pairing a technology-neutral, Net Qualifying Capacity (NQC) based interim procurement with targeted TPD/interconnection enablement and stable accreditation through the compliance window, the Commission can (i) prioritize IRA-eligible projects that can reach COD on federal timelines, (ii) hedge portfolio risk while preserving optionality for the 2030s, and (iii) deliver immediate, reliability at the lowest reasonable cost.

Given this framework, esVolta provides the following limited response to the Commission's questions.

### **III. RESPONSES TO THE COMMISSION'S QUESTIONS**

*10. Is another procurement order needed, as recommended in this ruling? What amount of resources (in ELCC MW NQC) should be required and for which years/tranches?*

Yes, esVolta recommends that the Commission authorize 6,000 MWs of NQC, issued as 1,500 MW NQC per year for 2029–2032. Staff's Strategic Energy and Risk Valuation Model ("SERVM") results show a clear cumulative Effective Load Carrying Capability ("ELCC") shortfall reaching approximately 6,267 MW by 2032. An additional procurement order of 6,000 MWs of NQC can help address the projected shortfall.

esVolta supports a structured procurement of 6,000 MW of NQC, with 1,500 MW tranches. To the extent the full 1,500 MW tranche is not contracted; the deficit should be rolled forward to ensure the full 6,000 MW target is met. A sustained signal of 1,500 MWs per for 2029–2032 would regularize procurement, reduce boom-bust risks, and provide a clear financeable signal that aligns with identified needs while enabling the timely capture of federal incentives. This cadence pre-phases any future programmatic framework, so the first binding year is not overloaded.

14. If the Commission orders procurement in the IRP proceeding between 2028-2032, should it be for generic capacity, or should there also be an energy component (due, in part, to the declining ELCCs of battery storage)? Why or why not? Do the resource adequacy Slice of Day requirements adequately address this issue? Why or why not?

esVolta recommends that the Commission order generic accredited NQC for 2029–2032, keeping it technology-neutral without adding any energy or Slice-of-Day (“SoD”) components. The identified need was derived by iteratively adding perfect capacity (“PCAP”) in SERVVM until the system met the 0.1 Loss-of-Load-Expectation (“LOLE”) standard. No separate “energy shortfall” was identified. A capacity-only order therefore maps most cleanly to the modeling basis and directly targets the modeled reliability need (meeting LOLE) without pre-picking resources.

Under an NQC framework, resources would compete on their accredited reliability value, with ELCC updates naturally reflecting saturation and charging constraints. This framework serves as a better, lighter-touch way to ensure system adequacy than layering on energy or time-profile adders. Further, any slice-of-day element would duplicate existing RA constructs, complicate compliance, and risk higher costs and delays. A clean, NQC-based procurement best delivers timely, cost-effective reliability.

17. Should a procurement order, if one is issued, specify particular characteristics for resource procurement (e.g., clean firm, long-duration storage, etc.), or should the requirement be entirely for generic capacity resources?

esVolta recommends that the order be entirely generic accredited NQC, rather than specifying resource characteristics. Procuring generic NQC directly targets the modeled PCAP gap, and thus should lead to the most efficient cost of procurement. ELCC accreditation already calculates the relevant NQC/derating by technology and tranche, and staff can publish/update those values to capture technology differences in accreditation without hard coding a technology mix.

26. What other actions should the Commission take specifically to maximize the impact of the availability of existing federal government loans or other contributions, to support energy infrastructure during the 2028 to 2031 period? Be as specific as possible.

esVolta notes that to operationalize EO N-33-25 and put federal dollars to work fast, the Commission could tie NQC eligibility to IRA safe-harbor, and COD deadline compliance (and compliance with FEOC and domestic-content where applicable), by allowing banking of NQC once those milestones, or others, are reasonably believed to be met. This would tie projects to their ability to leverage federal benefits in alignment with EO N-33-25.

## **CONCLUSION**

esVolta appreciates the opportunity to comment on the Commission's Ruling and looks forward to further engaging on this topic in this proceeding. For the reasons set forth above, esVolta requests that the Commission adopt an immediate, technology-neutral interim procurement sized at NQC for delivery years 2029–2032, issued in four annual tranches of 1,500 MW each. This tranche cadence directly addresses the identified reliability shortfall while avoiding boom-bust dynamics and minimizing ratepayer cost. Adopting this approach will deliver reliability at the lowest reasonable cost.

Respectfully submitted,

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