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

Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes.	Rulemaking 25-06-019 (Filed June 26, 2025)

**HYDROSTOR, INC. RESPONSE TO THE
APPLICATION FOR REHEARING OF DECISION 26-02-057 BY THE
ALLIANCE FOR RETAIL ENERGY MARKETS, CALIFORNIA COALITION OF
LARGE ENERGY USERS, THE REGENTS OF
THE UNIVERSITY OF CALIFORNIA AND SHELL
ENERGY NORTH AMERICA (US), L.P.**

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April 21, 2026

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OF THE STATE OF CALIFORNIA**

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ENERGY NORTH AMERICA (US), L.P.**

Pursuant to Rule 16.1 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, Hydrostor, Inc. ("Hydrostor") hereby submits this response to the Application for Rehearing of Decision 26-02-057 by the Alliance for Retail Energy Markets, California Coalition of Large Energy Users, the Regents of the University of California and Shell Energy North America (US), L.P., hereinafter the "Application for Rehearing" or "AFR," filed in the above-captioned proceeding on April 6, 2026.

In response to the Application for Rehearing, Hydrostor does not take a position on the merits of the AFR. Instead, Hydrostor urges the Commission to not further exacerbate uncertainty caused by the issues presented in the AFR and to issue a decision on the AFR as soon as practicable, and no later than the first date for revised effective load carrying capability ("ELCC") values. The ongoing uncertainty around ELCC values and Resource Adequacy ("RA") counting rules for resources, such as long-duration energy storage, within this timeframe is already creating a chilling effect on actual near-term procurement of critical resources by load-serving entities ("LSE"), beyond the added uncertainty resulting from this AFR and despite the recent clarity of the interim procurement order from the Commission.

The Commission should be mindful that while the AFR is pending, contracting parties are faced with further uncertainty related to Decision 26-02-057's procurement obligation and the allocated responsibility that LSEs have to fulfill that obligation. Certainty is vital in executing the most cost-effective procurement of electric resources, and risk premiums created by ongoing procurement obligation uncertainty shall inevitably lead to higher resource costs. Any uncertainty regarding an LSE's procurement target is also detrimental to timely contracting of developing resources. The framework for ELCC values already creates the potential for further delay in LSEs' procurement obligations. Specifically, D.26-02-057 orders three 2,000 MW tranches of net qualifying capacity procured annually beginning in 2030, and resources count towards these obligations based on their marginal ELCC. However, these values will not be known until final ELCC values are published by the Commission. The Decision delays to July 31, 2026 the critical publication of technology-specific and storage duration-specific ELCC values for resources due online by 2030 and 2031, and to the end of 2027 for resources due online by 2032. This timing for ELCC value publication effectively delays the LSE's diligent pursuit of the procurement of resources as they will not know with certainty the contribution of resources towards their procurement obligation allocation until final ELCC values are published.[1]

Considering this delay-related uncertainty, Hydrostor asks the Commission to act swiftly to address the AFR to avoid further cause for procurement delays. Specifically, Hydrostor urges the Commission to not further exacerbate uncertainty created by the potential for revision of D.26-02-057 and issue a decision on the AFR as soon as practicable, but no later than the first date for revised ELCC values on July 31, 2026. To avoid the unnecessary delays, a decision on

[1] See D.26-02-057 at 146 (Ordering Para. 9).

the AFR must be considered at or before the July 13, 2026 Commission voting meeting, absent a special Commission meeting later in July.

The Commission should also keep to the limited scope of the AFR and not undermine other key aspects of the procurement order. The AFR requests that the Commission either take measures to support legislated action to expand direct access or to reallocate the total procurement requirements to non-electric service provider LSEs. Exceeding this limited scope would send further signals to developers that the regulatory environment for clean energy and long lead-time resources in California is unpredictable and risk laden.

Accordingly, Hydrostor encourages the Commission to resolve the Application for Rehearing as soon as practicable, and no later than the first date for revised ELCC values of July 31, 2026, and to stay consistent with the narrow scope of review presented by the AFR.

DATED: April 21, 2026

Respectfully submitted,

By: /s/

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