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

LONG DURATION ENERGY STORAGE COUNCIL ("LDES COUNCIL") REPLY COMMENTS TO ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON ADDITIONAL PROPOSAL FOR A RELIABLE AND CLEAN POWER PROCUREMENT PROGRAM

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The Long Duration Energy Storage Council ("LDES Council") submits these reply comments pursuant to the Administrative Law Judge's Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program, issued on June 23, 2026.

I. INTRODUCTION

In the opening comments, the LDES Council focused on seven primary positions, including asking: 1) the Commission to consider adopting a proposal with the option 3 framework – with modifications – instead of a framework employing option 1 or option 2, 2) the Commission to procure storage based on duration, but not other attributes, 3) the Commission employ relatively small modifications to the option 3 framework so that it can accommodate long lead time ("LLT") resources, 4) the Commission to carefully consider appropriate maximum and minimums for the procurement bands, 5) the Commission to support transferability of net qualifying capacity ("NQC") across loads serving entities ("LSEs") for RCPPP compliance, 6) the Commission to continue to evaluate accreditation methodologies to ensure that all attributes of LDES resources are included in valuations, and 7) the Commission to ensure that penalties for non-compliance are aligned with the resource category that an LSE failed to procure.

Many of the party comments filed included information and opinions on all seven of these concerns, but in these reply comments the LDES Council focus on replies to recommendation 2,regarding how categories of storage should be broken expressed for procurement, recommendation 3 regarding how long lead time resources could be accommodated within the RCPPP program, and in direct response to an issue brought forth in opening comments regarding how the Commission should incorporate local reliability requirements. Given the volume of comments the LDES Council continues to recommend that the Commission carefully weigh the input from parties and allow an additional opportunity for modifications either by drafting a new version of the proposal and allowing comments, hosting a workshop discussing potential changes, and/or hosting or supporting another all-party call allowing for additional dialog amongst parties regarding key elements of this proposal. Ensuring a good design for this program is very important to ensure that procurement is completed in a timely and orderly manner.

II. ISSUE #2: PROCUREMENT REQUIREMENTS FOR STORAGE ATTRIBUTES SHOULD BE DURATION-DIFFERENTIATED.

Many parties commented on how the requirements, including requirements for storage resources, should be relayed to LSEs. The Commission has long maintained that the fundamental mechanisms of the integrated resource planning ("IRP") process and resource adequacy ("RA") program are technology agnostic. The Commission should maintain this position with the RCPPP, and should not call for attributes of storage resources that are more specific than duration. Asking LSEs to procure storage resources with particular aspects, beyond duration, could result in a more limited pool of resources, reducing competition for capacity procurement and ultimately increasing procurement costs. This would run counter to LSE and ratepayer interests and could harm nascent storage technology being developed to fill future LDES needs.

Additionally, the LDES Council agrees with several parties in expressing support for differentiated procurements.[1] The LDES Council supports differentiated procurements for storage based on duration, such as the Commission ordered in Decision (D.) 21-06-035 (the Mid-Term Reliability (MTR) Decision), in which a resource carve-out for 1,000 megawatts (MW) of long duration energy storage was created.[2] As the Commission stated, the LDES Council agrees that the MTR resource carve-out for LDES is necessary to "provide important resource diversity, renewable integration, and system reliability benefits."[3] By ensuring that resources with distinct duration and performance characteristics have an opportunity to compete and be procured, differentiated procurements can support a more diverse storage portfolio capable of meeting California's evolving portfolio with new reliability needs and reducing the risk of overreliance on any single technology or duration.

Because resources also provide different value depending on where they are located, the LDES Council supports other party's comments that there should be an explicit local

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[1] See August 14, 2026 initial comments from American Clean Power – California at 13, California Energy Storage Alliance (CESA) at 8, California Environmental Justice Alliance (CEJA) & Sierra Club at 20, California Independent System Operator (CAISO) at p 3, California Resources Corporation at 5, Environmental Defense Fund (EDF) at p 10, Fervo Energy at p 3, Form Energy at p 12, Green Hydrogen Council at 10, Hydrostor, Inc. at 8, Independent Energy Producers Association at 4, Middle River Power at 5, NextEra Energy Resources, LLC at 20, Pacific Gas and Electric Company at 22, Western Power Trading Forum at 4.

[2] D.21-06-035, Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026), June 24, 2021 (or MTR Decision), Ordering Paragraph 2 at 94-95; available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF.

[3] D.21-06-035, Findings of Fact 13 at 88.

procurement component within the RCPPP framework. The LDES Council agrees with parties that the need determination should explicitly account for local, as well as system-wide, reliability requirements since this Ruling's need determination now translates directly into binding procurement obligations.[4] Local capacity requirements, including behind-the-meter and customer-sited storage resources, should be integrated into the resource procurement need determination.

III. ISSUE #3: RCPPP SHOULD PROVIDE FLEXIBLE COMPLIANCE TIMELINES FOR LONG LEAD TIME RESOURCES.

There were a number of parties that expressed concern in opening comments regarding timelines that were outlined in the RCPPP Option 3 proposal and the possibility of using RCPPP as a mechanism to procure LLT resources. In an effort to procure more diverse resources, to allow additional technologies to contribute to evolution of the California grid, maximize the options that LSEs have at their disposal, and to help keep costs as low as possible for resource development and ultimately consumers; the Commission should try to consider ways to develop an RCPPP framework that will accommodate LLT resources. This need not preclude capacity procurement from the central procurement entity, but it should enable LSE's participating in the RCPPP the ability to develop LLT resources without fear of being penalized because of the development time associated with LLT resources, should they choose to develop these resources as a component of the portfolio designed to comply with RCPPP.

[4] See August 14, 2026, initial comments from California Energy Storage Alliance – at 9, Form Energy – at 10, Union of Concerned Scientists and the Natural Resources Defense Council – at 7.

One such mechanism that could accomplish this within the RCPPP option 3 framework, as outlined in the LDES Council opening comments, is an ability for LSEs to codify commercial operation dates ("CODs") for LLT resources that would not fit into the program development timelines. Once these dates were established in executed contracts, these would serve to meet program requirements and would not be subject to penalties until after the COD specified in the contract. These established COD dates would also allow the Commission to include these resources in future IRP modeling iterations.

There were many parties that commented about the inability for the timeline outlined in Option 3 to work for LLT resources, we highlight a few of the comments here. The Public Advocates Office notes that the "Option 3 requirement for 100 percent of resources to be online within five years from the date that the Commission identifies and allocates the need may be an unworkable requirement," in comments on LSE's ability to bring LLT resources onto the system within the 5-year timeframe outlined in this proposal.[5] The California Energy Justice Alliance ("SEJA") and the Sierra Club note that "it is not clear how this requirement would work for long lead-time resources that may need more than five years to plan".[6] San Diego Gas and Electric ("SDG&E") commented that "LLT resources and new technologies will likely require an even longer timeline to be developed and therefore will likely need to have longer compliance deadlines". Finally, Ava Community Energy notes that "The five-year online deadline is especially incompatible with long-lead-time ("LLT") resources."[7] These comments clearly show a potential problem area within the proposal and something that the Commission should work to address prior to releasing any proposed decision.

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[5] Public Advocates Office comments at 17.
[6] CEJA and Sierra Club comments at 17.
[7] Ava Community Energy Comments at 9.

The California Independent System Operator ("CAISO") raised several good points in their comments related to LLT resources. Specifically, CAISO writes that they,

> "support(s) a procurement framework that encourages timely contracting and project development. However, the Commission should provide sufficient flexibility to account for resource-specific development. A uniform five-year compliance requirement may not appropriately reflect the time necessary to develop, permit, interconnect, and construct certain resources and associated infrastructure."[8]

They go on to state that "Project development timeline considerations are particularly relevant for clean firm and other long lead-time resources and projects that depend on significant transmission infrastructure investments", and finally that "Resources with longer development timelines may be disadvantaged relative to others, even where those resources provide reliability benefits identified through the IRP process. Limiting participation in this manner could reduce resource diversity, increase procurement costs, and weaken the alignment between resource and transmission planning." Similar to the previous group of comments, this is a clear call to action, on augmentations to this program that could make it a very effective tool for the state. Again more work is needed before any proposed decisions are developed.

Finally, similar positions to the LDES Council were taken by Hydrostor, and the California Energy Storage Alliance ("CESA") that lend insight into what a potential solution could look like for this problem. CESA notes that a solution should allow that "If an LSE successfully contracts for its LLT resource allocation by T+2 (a proposed change to the RCPPP framework by CESA), it should not be subject to a net CONE penalty unless it later fails to

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[8] California Independent System Operator comments at 6.

achieve the contracted COD, which becomes the compliance deadline."[9] Hydrostor notes that "This COD Extension Flexibility, which can be built into the contracting process at the time contracts are executed, will allow utilities to enter into contracts with commercial operation dates beyond the standard RCPPP development and construction window when justified by the characteristics of the resource and project timeline."[10] Other parties noted that setting a pre-specified or fixed amount of time for development of LLT resources could also be a viable solution, including in comments from CalWEA, CURE, Fervo, GreenGen, SDG&E and XGS. The LDES Council appreciates that this could help address the problem, but notes that the comments vary in specific timelines for developing LLT resources, and believe that this is precisely because some LLT resources take longer to develop than others. Again, a solution with the flexibility to accommodate LLT resources that can be brought onto the system relatively quickly and LLT resources that will take more time will serve to build a more robust procurement program and will ultimately be more beneficial to California LSEs and ratepayers.

IV. CONCLUSION

The LDES Council appreciates your consideration of this matter, which we feel will be beneficial to all residents in California.

[9] CESA comments at 27.
[10] Hydrostor comments at 4.

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Respectfully submitted,

By: /s/

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