



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☐ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☐ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



December 23, 2019

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter CPA 0003-E

RE: Energy Storage Procurement Requirement of Clean Power Alliance of Southern California

EFFECTIVE DATE

Clean Power Alliance of Southern California (“CPA”) requests that this Tier 2 Advice Letter (“AL”) become effective on January 22, 2020, which is 30 days after the date of this filing.

TIER DESIGNATION: Tier 2

PURPOSE: CPA submits this Tier 2 Advice Letter to inform the Commission about the status of its energy storage procurement activities and its progress toward meeting its energy storage procurement target of 21 MW (1% CPA’s 2020 projected peak load of 2,146 MW). Due to the triggering of the automatic limiter, established in Commission Decision (“D.”) 17-04-039, the 1% storage procurement obligation of community choice aggregators (“CCAs”) has been eliminated.¹

CPA’s energy storage procurement is as follows:

1. CPA currently has 5 MW of energy storage resources under contract.
2. CPA’s planned energy storage procurement by December 31, 2024 is 160 MW.
3. Southern California Edison (“SCE”) has reported 218.908 kW of energy storage project capacity can be credited to CPA.²
4. As of December 20 2019, CCAs’ 1% storage procurement obligation has been eliminated.³

¹ See calculations on page 4.

² See SCE AL 4115-E.

³ Email from Energy Division on December 20, 2019 stated that “CPUC staff analysis has shown that the automatic limiter has been activated and has eliminated the 1% procurement by 2020 requirement for CCAs and ESPs that was ordered under D.13-10-040.”

BACKGROUND

The Commission issued D. 13-10-040 to implement Assembly Bill (“AB”) 2514 by adopting the Energy Storage Procurement Framework and Design Program for investor owned utilities (“IOUs”), electric service providers (“ESPs”), and CCAs. D. 13-10-040 establishes the 1% of 2020 peak load target for CCAs, and each CCA is required to file a Tier 2 AL once every two years to show its progress toward the 2020 goal, beginning on January 1, 2016.⁴

Subsequently, the Commission issued additional decisions pertaining to CCA and ESP energy storage procurement. The Commission established counting rules for SGIP projects in D. 16-01-032 that the credit for the SGIP-funded storage projects installed by customers of a CCA or ESP would be split evenly between the customer’s IOU and CCA or ESP.⁵

Recognizing that CCA and ESP customers are at times required to pay for energy storage resources procured by the IOUs through non-bypassable charges, the Commission adopted an automatic limiter in D. 17-04-039. If the limiter is reached, then the IOUs should indicate in its required annual filing the reduced CCA and ESP procurement obligation.⁶

Energy Storage (“ES”) projects must meet the following eligibility requirements set in D. 13-10-040:

1. ES systems must be installed and operational after January 1, 2010: As required by California Public Utility Code section 2835, subdivision (c), a “new energy storage system” is a “system that is installed and first becomes operational after January 1, 2010.”
2. ES systems must be online and delivering by the end of 2024: All 2020 compliance target procurements must be “installed,” or “online and delivering,” by December 31, 2024.
3. Distributed storage qualifies: The Commission “shall allow customer sited or customer-owned energy storage to count toward the 1% target” for CCA programs.
4. Electric vehicle programs qualify: IOUs, ESPs, and CCA programs may count “[energy] storage that could be obtained from plug-in vehicles and programs/systems that utilize electric vehicles for grid services (Vehicle to Grid)” for their procurement goals.
5. Storage funded by departing utility customers is excluded: The load associated with customers departing from utility bundled services for CCA participation “shall not be counted towards meeting the CCA or ESP’s 1 percent procurement target.”
6. ES projects must further a relevant purpose: Projects must demonstrate their ability to meet one or more of the following purposes: grid optimization, integration of renewable energy, or reduction of greenhouse gas emissions.
7. Government funded projects may be included: “It is reasonable to include any PIER- or EPIC- funded projects toward the procurement targets under certain conditions.”

⁴ D. 13-10-040 at page 47.

⁵ D. 16-01-032, Conclusion of Law 29.

⁶ D. 17-04-039 at page 68.

8. ES procurement must be cost-effective: AB 2514 provides that ES must be “viable and cost-effective,” but the Commission has not adopted a specific cost-effectiveness methodology. D.13-10-040 requires each CCA program to “describe its methodology for measuring cost-effective projects.”

COST-EFFECTIVENESS

Cost-effectiveness is a critical factor in CPA’s energy storage procurement. CPA considers energy storage projects using valuation analysis that considers the resource adequacy, energy, and ancillary service benefits attributable to the project against contract payments and charging costs. CPA enters into contracts with energy storage resources that provide value to CPA’s customers. In addition to this valuation, CPA also evaluates projects on five qualitative criteria: environmental stewardship, workforce development, benefits to Disadvantaged Communities, project location, and development risk.

ENERGY STORAGE PROJECTS

CPA has the following energy storage resource under contract that provides grid reliability services. These resources meet the eligibility requirements set by the Commission:

<i>Resource</i>	<i>Technology</i>	<i>MW</i>	<i>MWh</i>	<i>Contract Term</i>	<i>Percentage of CPA’s peak load</i>
Hecate Grid Johanna Facility 2B LLC	Lithium Ion Storage Facility	5	20	January 1, 2021 to December 31, 2023	0.2%

CPA also expects to bring online at least 155 MW by December 31, 2024. Additionally, based on the automatic limiter calculation below, CPA’s energy storage procurement obligation has been eliminated.

SHARE OF SGIP-FUNDED PROJECTS

Based on SCE’s most recent SGIP advice letter, AL 4115-E, CPA is currently entitled to 218.908 kW of SGIP-funded storage projects.

AUTOMATIC LIMITER AND SHARE OF IOU STORAGE PROCUREMENT

D. 17-04-039 requires the IOUs to provide updated calculation of the automatic limiter via an annual Tier 1 advice letter filing. The most recent advice letter, filed on August 1, 2019, shows that CCA customers in SCE territory have paid for 95 MW of energy storage resources, which approximately equals 2.7% of CCA load.⁷ As the calculation below shows, the automatic limiter has been triggered in all three IOU service territories, thus eliminating the storage procurement

⁷ SCE AL 4048-E.

obligation of all CCAs:

SERVICE TERRITORY	PG&E	SCE	SDG&E	TOTAL
Adjusted CCA current Share: 1% procurement target + non-bypassable charge (MW/% of load) ⁸	208 MW ~3.2%	95 MW ~2.7%	0.47 MW ~4.1%	306.47 MW
CCA MW share of non-bypassable charges in MW ⁹	282 MW	137 MW	0.6 MW	419.6 MW
Portion of Adjusted “CCA Current Share” applicable to CCAs’ 1% storage target in MW ¹⁰	(74) MW	(42) MW	(0.13) MW	
Original CCAs’ 1% storage procurement target in MW ¹¹	65 MW	34 MW	0.1 MW	99.1 MW
Adjusted CCAs’ storage procurement target in MW after application of the automatic limiter for PG&E, SCE, and SDG&E	(74) MW	(42) MW	(0.13) MW	0 MW
Adjusted CCAs’ storage procurement target in % after application of the automatic limiter for PG&E, SCE, and SDG&E	0% ¹²	0% ¹³	0% ¹⁴	0%

NOTICE

Anyone wishing to protest this advice letter filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

⁸ From AL 4048-E, Table 6 at page 6, the adjusted values in the row labeled “CCA Current Share.”

⁹ From AL 4048-E, Table 5 Row 2 at page 5.

¹⁰ Calculated by subtracting the CCA MW share of non-bypassable charges shown in Row 3 from the “Adjusted CCA Current Share” shown in Row 2.

¹¹ From AL 4048-E, Table 5 Row 4 at page 5.

¹² Calculated by dividing -74 MW in Row 5 by the original CCAs’ 1% storage procurement target of 65 MW for PG&E in Row 4. Since the automatic limiter has been reached, the percentage is shown as zero.

¹³ Calculated by dividing -42 MW in Row 5 by the original CCAs’ 1% storage procurement target of 34 MW for SCE in Row 4. Since the automatic limiter has been reached, the percentage is shown as zero.

¹⁴ Calculated by dividing -0.13 MW in Row 5 by the original CCAs’ 1% storage procurement target of 0.1 MW for SDG&E in Row 4. Since the automatic limiter has been reached, the percentage is shown as zero.

Copies should also be mailed to the attention of the Deputy Executive Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should be sent by letter or transmitted electronically to the attention of:

C.C. Song
Director of Regulatory Affairs
Clean Power Alliance
555 W. 5th Street, 35th Floor
Los Angeles, CA 90013
Email: csong@cleanpoweralliance.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

CPA is serving copies of this advice filing to the relevant parties shown on the R. 15-03-011 service list. For changes to these service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Respectfully submitted,

/s/ C.C. Song

C.C. Song
Director of Regulatory Affairs,
Clean Power Alliance of Southern California