



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: San Diego Community Power ("SDCP")

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person: Erin Hudak
Phone #: (619) 732-4677
E-mail: ehudak@sdcommunitypower.org
E-mail Disposition Notice to: ehudak@sdcommunitypower.org

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

December 21, 2023

Advice Letter (AL) #:18-E

Tier Designation: 2

Subject of AL: Energy Storage Procurement

Keywords (choose from CPUC listing): Contracts, Portfolio, Procurement, Reliability

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

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.13-10-040

Does AL replace a withdrawn or rejected AL?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

Summarize differences between the AL and the prior withdrawn or rejected AL: n/a

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: 1/20/24

No. of tariff sheets: n/a

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

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: n/a

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: n/a

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: Erin Hudak
Title: Compliance Analyst
Utility Name: San Diego Community Power
Address: PO Box 12176
City: San Diego
State: California Zip: 92112
Telephone (xxx) xxx-xxxx: (619) 732-4677
Facsimile (xxx) xxx-xxxx: n/a
Email: ehudak@sdcommunitypower.org

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
Curtable 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 21, 2023

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

SDCP Advice Letter 18-E

Re: ENERGY STORAGE PROCUREMENT

PURPOSE

California Public Utilities Commission (“Commission”) Decision (“D.”) 13-10-040, Decision Adopting Energy Storage Procurement Framework and Design Program, establishes an energy storage (“ES”) procurement goal of 1% of 2020 peak load for Community Choice Aggregation (“CCA”) programs. D. 17-04-054 modifies this requirement by implementing an “automatic limiter” that reduces a CCA program’s 1% ES procurement obligation as needed to ensure that the CCA program’s total ES procurement does not exceed the ES procurement obligation of its distribution Investor-Owned Utility (“IOU”).

San Diego Community Power (“SDCP”) submits this Tier-2 Advice Letter to inform the Commission about the status of its ES procurement activities and to inform the Commission that the 1% ES procurement obligation of CCAs has been eliminated, pursuant to the triggering of the automatic limiter, established in D. 17-04-039.

EFFECTIVE DATE

This AL is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order 96-B Energy Industry Rule 5.2. SDCP respectfully requests that this submittal be effective on January 20, 2024, which is 30 calendar days after the date of submission.

BACKGROUND

To implement Assembly Bill (“AB”) 2514, the Commission issued D. 13-10-040 which adopted the Energy Storage Procurement Framework and Design Program for IOUs, electric service providers (“ESPs”), and Community Choice Aggregators (“CCAs”). D. 13-10-040 establishes the “1% of 2020 peak load target” for CCAs and requires each CCA to file a Tier 2 AL once every two years until 2024 to report its progress toward its procurement target.¹

Energy Storage 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

¹ D.13-10-040 at P. 47.

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.”
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.”

Subsequently, the Commission issued additional decisions pertaining to CCA and ESP energy storage procurement. D. 16-01-032 established counting rules for Self-Generation Incentive Program (“SGIP”) projects. 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.² In addition, D. 16-01-032 directed the IOUs to file a Tier 1 Advice Letter twice a year, on June 1 and December 1, containing the breakout of SGIP-funded energy storage installations.

D. 17-04-039 recognizes that CCA and ESP customers are, at times, required to pay for energy storage resources procured by the IOUs through non-bypassable charges and distribution rates.

D. 17-04-039 adopts an automatic limiter which ensures that the energy storage procurement and cost recovery obligation of the customers of CCAs and ESPs does not exceed the utility bundled customer obligation.

“An automatic limiter that proportionately reduces each Community Choice Aggregator’s and Energy Service Provider’s one percent procurement obligation by the amount that the load serving entity’s own procurement plus its customers’ share of non-bypassable charges exceeds the utility bundled customer obligation

² D. 16-01-032 at p. 61

as a percentage of load is adopted. If the limiter is reached, the consolidated utility compliance filing shall automatically reflect the reduced Community Choice Aggregator/Energy Service Provider energy storage procurement obligation.”³

D. 17-04-039 requires the IOUs to provide updated calculation of the automatic limiter via a Tier 1 advice letter filing, filed annually through 2020. If the limiter is reached, then the IOUs should indicate the reduced CCA and ESP procurement obligation in its required annual filing.⁴

On December 5, 2018, Edward Randolph, Director, Energy Division, determined that “the automatic limiter has been triggered for ESPs and CCAs in the service territories of all three IOUs, and their 1% storage procurement obligation has been eliminated.”⁵ Since that determination, energy storage counting towards the limiter has continued to increase.

On August 1, 2019, the IOUs submitted their Joint Automatic Limiter Advice Letter, notifying the Commission that the automatic limiter has been fully triggered for all CCA programs in all three IOUs’ service territories.⁶ In the IOUs’ August 3, 2020 Advice Letter, the IOUs again notified the Commission that the automatic limiter has been fully triggered for all CCA programs in all three IOUs’ service territories.⁷

ENERGY STORAGE PROCUREMENT EFFORTS

As adopted in D. 13-10-040, a CCA’s ES procurement obligation is 1% of its 2020 annual peak load from energy storage projects under contract by 2020.⁸ San Diego Community Power did not begin serving load until 2021, so its 2020 annual peak load was 0 MW. The most recent Joint Automatic Limiter Advice Letter applies only to CCAs that had forecasted peak load in 2020, and therefore is not relevant to SDCP. Therefore, SDCP’s 1% procurement obligation is 0 MW.

However, SDCP has made significant efforts to procure new storage resources. To date, SDCP has executed long-term contracts for four paired/hybrid storage resources, two battery storage resources, and nine resource adequacy resources. These projects are either already online, or scheduled to come online from 2024-2027.

COST EFFECTIVENESS

Cost-effectiveness is a critical factor in SDCP’s energy storage procurement. SDCP 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

³ D. 17-04-039 at Ordering Paragraph (“OP”) 6.

⁴ D. 17-04-039 at p. 68.

⁵ Staff Disposition of: SDG&E AL 3256-E, PG&E AL 5345-E, and SCE AL 3833-E Update to Community Choice Aggregate and Energy Service Provider Load Data and Utility Investment and Procurement Information.

⁶ SDG&E AL 3408-E, PG&E AL 5605-E, and SCE AL 4808-E.

⁷ SDG&E AL 3580-E, PG&E AL 5902-E, and SCE AL 4267-E.

⁸ D. 13-10-040 at OP 5.

costs. SDCP will continue to enter into contracts with energy storage resources that provide value to SDCP's customers.

NOTICE

A copy of this submittal has been served on the official Commission service lists for R. 15-03-011.

PROTESTS

There are no restrictions on who may file a protest. Anyone wishing to protest this AL 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 AL 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

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 AL should be sent by letter or transmitted electronically to the attention of:

Erin Hudak
Compliance Analyst
San Diego Community Power
PO Box 12176
San Diego, California 92112
ehudak@sdcommunitypower.org

Respectfully,

/s/ Erin Hudak
Compliance Analyst
San Diego Community Power
PO Box 12716
San Diego, California 92112

Dated: December 21, 2023

cc: Service Lists: R. 15-03-011