

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

Order Instituting Rulemaking to Consider Policy and Implementation Refinements to the Energy Storage Procurement Framework and Design Program (D.13-10-040, D.14-10-045) and related Action Plan of the California Energy Storage Roadmap.

Rulemaking 15-03-011  
(Filed on March 26, 2015)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS  
ASSOCIATION ON THE PROPOSED DECISION**

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**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS  
ASSOCIATION ON THE PROPOSED DECISION**

The Proposed Decision (PD) of President Alice Reynolds, issued on August 30, 2023, addresses some challenging issues arising from the increasing numbers of energy storage facilities that are sited at the same location as renewable generation facilities. In particular, having generation and energy storage at the same site presents questions about arrangements for provision of station power to these hybrid or co-located facilities. The PD addresses some key questions about these arrangements and for the most part it arrives at well-considered conclusions.

Accordingly, the Independent Energy Producers Association (IEP) has identified only a few areas where the PD should be corrected.

**I. BACKGROUND**

The PD distinguishes between hybrid and co-located resources. A hybrid resource is identified as a storage resource and generation resource that share a single Resource ID (assigned by the California Independent System Operator (CAISO)), a single point of interconnection, and a single Scheduling Coordinator. A co-located resource refers to a storage resource and a

generation resource that share a point of interconnection but have separate Resource IDs and may have different Scheduling Coordinators.

The PD addresses three scenarios. Scenario One refers to a hybrid resource where the storage device is charged only by the on-site generator, for later resale. Scenario Two concerns a hybrid resource where the storage device may be charged either by the on-site generator or by the grid, for later resale. Scenario Three refers to co-located resources.

## **II. COMMENTS**

The PD's determinations on Scenario One and Scenario Two are consistent with IEP's positions for the most part. For Scenario Two, the PD endorsed the proposal of IEP and the California Energy Storage Alliance (CESA) for a simplified approach in the near term, followed by a meet and confer session within 60 days to pursue the goal of developing a more granular accounting system that will allow for a more accurate assessment of the ability of hybrid resources that can charge from the grid to self-supply station power. To be clear, IEP views the simplified approach as an interim measure, and a more accurate determination of self-supply of station power from these types of hybrid resources is the eventual goal.

IEP has several concerns about the PD's treatment of Scenario Three issues. First, the PD seems to be grounded, at least in part, in IEP's acknowledgment that the current billing and settlement rules treat each unit with a separate Resource ID as an independent entity. But, as the PD also acknowledges, IEP has also endorsed the view expressed by the Public Advocates' Office that for purposes of differentiating between wholesale energy and retail station power, hybrid and co-located resources are functionally identical. While the PD's approach reflects the current state of settlement rules, IEP also suggests that the Commission and the CAISO should

consider reforming station power billing and CAISO settlement rules to permit self-supply among all types of co-located resources.

Second, some of the PD's conclusions on co-located storage resources are erroneous. Conclusion of Law No. 7, for example, states, "Station power rules for stand-alone in-front-of-the-meter energy storage, including the permitted netting rules, should not apply to co-located resources." But this conclusion is inconsistent with the PD's point that "co-located resources have individual CAISO settlement meters and Resource IDs, and they are connected at two distinctly separate electrical locations."<sup>1</sup> If, as the PD concludes, co-located storage facilities cannot provide station power to the generation component, it's not clear why the storage component should be treated differently from a stand-alone in-front-of meter storage unit. The storage component of co-located resources functions identically to a stand-alone storage facility, and should qualify for the same permitted netting rules as other storage resources with individual CAISO settlement meters and individual Resource IDs that are connected at a distinct electrical location.

That clarification should also be made in Conclusion of Law No. 1 (which is duplicated in Conclusion of Law No. 4). Conclusion of Law No. 1 should be modified to read:

1. Station power rules for stand-alone in-front-of-the-meter energy storage, including the permitted netting rules, should apply to hybrid resources with only on-site self-supply for charging storage device for later resale and to the storage component of co-located resources.

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<sup>1</sup> PD, p. 23.

Conclusions of Law Nos. 1 and 7 and the discussion in the body of the PD should be corrected to clarify that the storage unit of co-located resources should qualify for the permitted netting rules.

**III. CONCLUSION**

For the reasons stated in these comments, the Independent Energy Producers Association respectfully urges the Commission to clarify that the storage unit of co-located resources should qualify for the permitted netting rules, to modify Conclusions of Law Nos. 1 and 7 as indicated in the appendix to these comments, and to make related corrections to page 2 of the PD.

Respectfully submitted September 19, 2023 at San Francisco, California.

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## APPENDIX

### Proposed Findings of Fact and Conclusions of Law

1. Station power rules for stand-alone in-front-of-the-meter energy storage, including the permitted netting rules, should apply to hybrid resources with only on-site self-supply for charging storage device for later resale and to the storage component of co-located resources.

7. Station power rules for stand-alone in-front-of-the-meter energy storage, including the permitted netting rules, should ~~not~~ apply to the storage component of co-located resources.