

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



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Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine  
Long-Term Procurement Planning  
Requirements.

Rulemaking 16-02-007  
(Filed February 11, 2016)

**RANGE ENERGY STORAGE SYSTEMS, LLC  
COMMENTS ON PROPOSED DECISION ADOPTING PREFERRED SYSTEM  
PORTFOLIO AND PLAN  
FOR 2017-2018 INTEGRATED RESOURCE PLAN CYCLE**

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*On Behalf of Range Energy Storage  
Systems, LLC*

April 8, 2019

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Range Energy Storage Systems, LLC (“Range”) submits the following comments in response to the Proposed Decision of Administrative Law Judge Fitch adopting the Preferred System Portfolio and Plan for the 2017-2018 Integrated Resource Plan Cycle (Proposed Decision). In these comments, Range offers recommendations on the proposed “Procurement Track” and the portfolios to be provided to the CAISO for the next Transmission Planning Process (TPP).

**I. Recommendations for the Proposed Procurement Track**

Range supports the Commission’s Proposed Decision to open a procurement track in this proceeding. The results of the 2017-2018 Reference Plan studies (especially those portfolios selected as part of the 30 MMT scenarios), and the relative dearth of planned flexible resources to balance the system shown in LSE IRPs, certainly warrants the Commission’s continued exploration of the procurement needs to achieve reliability, cost-effectiveness, and GHG goals across LSEs in the state.

The Commission notes that “realization of the PSP [Preferred System Portfolio (PSP)] by 2030 will require concrete procurement of specific resources by many LSEs, with a heavy focus

on procurement by community choice aggregators.”<sup>1</sup> Achieving the statewide 2030 GHG target will become increasingly difficult as the Commission puts the 2030 electric system on a trajectory to achieve SB 100 targets in 2045. Thus, we encourage the Commission to include in its procurement track assessment not only those resources needed to meet the 45 MMT target by 2030, but also those required to meet the SB100 targets. Cost-effective resources which help the state exceed the moderate 45 MMT target and chart the course for deep decarbonization should also be considered.

Range appreciates the Commission’s intention to focus on long-duration (8 hour) storage as a key resource in the procurement track. This effort would align well with the Policy Sensitivity #1 Portfolio recommended for CAISO study which includes 1,300 MW of pumped storage hydro. However, without a new, formal process for joint-procurement of shared resources, it is not clear how the IRP can fulfill the co-equal goals of maintaining system reliability, minimizing costs, and achieving GHG emissions reductions through the acquisition of large-scale, long-term assets.

Among the critical questions which the Commission intends to tackle in the procurement track is the question of “How will we handle the potential need for joint procurement among multiple smaller entities, for large resources?” Indeed, the state will be well served by the Commission providing a venue for LSEs to convene and explore mechanisms for joint procurement. In light of the growing fragmentation in the market, establishing a mechanism for joint procurement will be necessary to ensure that the IRP will be able to fulfill SB 350 and SB 100 directives.

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<sup>1</sup> Proposed Decision at p. 3.

The Proposed Decision also reiterates its concerns, as expressed in the Resource Adequacy Proceeding, about the need to maintain California’s jurisdictional authority if it were to open a centralized capacity market. However, a centralized capacity market is not necessarily needed to fulfill the coequal goals of the IRP; other alternatives can facilitate joint procurement. In the procurement track, the Commission should explore how the IRP can facilitate joint procurement among municipal entities (CCAs and POU’s) – the entities that will do the lion’s share of future procurement. As discussed at the April 4<sup>th</sup> All Party Meeting, some CCAs are already jointly procuring resources through joint powers agencies. The Commission should consider how it can work with the CCAs and coordinate with the CEC to encourage the system-level procurement needed to fulfill the IRP’s goals.

Finally, as Range has advocated throughout this proceeding, the Commission should not limit the type of long-duration storage examined in this procurement track (only pumped storage hydro was included in RESOLVE for the first IRP cycle). In Decision 18-02-018, the Commission stated, “We should note that, in the case of pumped hydro storage and out-of-state wind, these technologies in the resource studies can act as proxies for other similarly situated resources... Pumped hydro storage can also be generalized to include bulk storage of other types.”<sup>2</sup> In the procurement track, the Commission should allow technologies to compete against one another in transparent solicitations. Compressed Air Energy Storage and other bulk storage technologies can provide 8-hour daily discharge cycles and bulk capacity (e.g., 100 MW and higher). The procurement track must identify the most competitive and best-fit resources for the system.

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<sup>2</sup> Decision 18-02-018, at p. 78.

## II. Portfolio Cases for the CAISO TPP

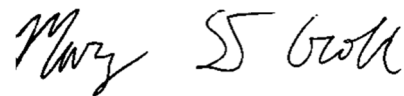
Range appreciates that the Commission is recommending two policy-driven sensitivities to the CAISO that would meet a more stringent 32 MMT GHG emissions target. However, as the Commission notes, the policy-driven cases “are generally considered Category 2 under the CAISO tariff and generally do not go to the CAISO Board of Governors for approval.”<sup>3</sup> Thus, while these studies may be informative, they will not likely result in new investments or any serious planning to build out the transmission system (or storage alternatives in the case of the in-state build out case) in the near term. This approach will make the challenge of achieving the SB 100 emissions targets even harder. The delay between the IRP process and the TPP process further exacerbates this problem as each two to three-year IRP process must precede the start of the next TPP process. In future IRP cycles, the Commission’s recommended portfolios must “catch up” and direct the CAISO to study the infrastructure needs to achieve the most current (and most stringent) statutory requirements.

### CONCLUSION

Range appreciates the opportunity to submit these comments.

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Respectfully submitted,



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<sup>3</sup> Proposed Decision at p. 113.

## APPENDIX A

### RANGE'S RECOMMENDED CHANGES TO THE PROPOSED DECISION

Proposed changes to the Findings and Conclusions:

1. The Commission should focus a procurement track of the IRP proceeding on the following types of resources: diverse renewable resources in the near term at levels sufficient to reach the 2030 optimized portfolio, in coordination with the RPS program; near-term resources with load following and hourly or intra-hour renewable integration capabilities; existing natural gas resources; and long-duration (8 hour) storage resources, **which shall not be limited solely to those storage resources studied in the 2017-18 IRP Reference System Plan.**

Add a new Conclusion of Law:

**The Commission should evaluate models for joint procurement through collaboration among CCAs and Publicly Owned Utilities and conclude the procurement track as expeditiously as possible, such that LSEs can include the results of any procurement in their IRP filings in the 2019-20 IRP cycle.**