



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Peninsula Clean Energy Authority ("PCE")

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person: Jeremy Waen

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E-mail Disposition Notice to: jwaen@peninsulacleanenergy.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

December 19, 2023

Advice Letter (AL) #: 032-E

Tier Designation: 2

Subject of AL:

2024 ENERGY STORAGE PROCUREMENT ADVICE
LETTER

Keywords (choose from CPUC listing): Compliance, Procurement, Storage

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Does AL replace a withdrawn or rejected AL?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: No

Summarize differences between the AL and the prior withdrawn or rejected AL: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: January 18, 2024

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: n/a

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: Jeremy Waen
Title: Senior Director of Regulatory Policy
Utility Name: Peninsula Clean Energy
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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 19, 2023

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

Advice Letter Peninsula Clean Energy Authority 032-E

RE: 2024 ENERGY STORAGE PROCUREMENT ADVICE LETTER

EFFECTIVE DATE

Peninsula Clean Energy Authority ("Peninsula Clean Energy") requests that this Tier 2 Advice Letter become effective on January 18, 2024 which is 30 days after the date of this filing.

TIER DESIGNATION: Tier 2 Designation

PURPOSE

California Public Utilities Commission ("Commission") Decision ("D.") 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 Aggregators ("CCA") programs.¹ Ordering Paragraph ("OP") 5 of this Decision requires that:

Community Choice Aggregators and Electric Service Providers shall file a Tier 2 Advice Letter starting January 1, 2016 and every two years thereafter until 2024 to report their progress in procuring 1% of their 2020 annual peak load from energy storage projects under contract by 2020 and describe its methodology for measuring cost-effective projects. Projects are required to be installed and delivering by no later than the end of 2024.²

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, including the ES procurement that the CCA's customers pay for through non-bypassable charges, does not exceed the assigned ES procurement obligation of its distribution Investor-Owned Utility ("IOU").³

¹ D.13-10-040 at 36, 77 (Ordering Paragraph 5); D.17-04-039 at 63 (Finding of Fact 13).

² D.13-10-040 at 77 (Ordering Paragraph 5).

³ D.17-04-039 at 68 (Ordering Paragraph 6).

Peninsula Clean Energy submits this Tier-2 Advice Letter to meet its reporting obligation under OP 5 of D.13-10-040. As set forth below, the automatic limiter has been fully triggered and Peninsula Clean Energy's ES procurement obligation has been reduced to zero. However, despite the elimination of this obligation, Peninsula Clean Energy has aggressively pursued its own energy storage resources, and has a robust portfolio of ES resources.

BACKGROUND

The Commission issued D.13-10-040 on December 21, 2013, pursuant to Assembly Bill ("AB") 2514, and adopted the Energy Storage Procurement Framework and Design Program for IOUs, Electric Service Providers ("ESPs"), and CCA programs. D.13-10-040 establishes a goal for CCA programs to procure ES resources equal to 1% of their 2020 peak load.⁴ This procurement goal was to be met by 2020, with all projects operational by 2024.

In D.17-04-054 the Commission recognized that CCA customers may be required to pay for ES procurement by IOUs through their distribution rates and/or non-bypassable charges. To prevent the total effective ES procurement that a CCA customer is responsible for from exceeding the ES procurement obligation that an IOU customer is responsible for, the Commission adopted 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 as a percentage of load. 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.⁵

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." Since that determination, energy storage counting towards the limiter has continued to increase. On August 3, 2020, the IOUs submitted their Joint Automatic Limiter Advice Letter,⁶ notifying the Commission that the automatic limiter has been fully triggered for all CCA programs in all three IOUs' service territories.

As of August 3, 2020, the customers of CCAs in Pacific Gas and Electric Company's ("PG&E") distribution service territory were collectively paying for 326 MW of PG&E's ES procurement through NBCs and/or distribution rates.⁷ This number has likely increased since 2020. This

⁴ D.13-10-040 at 43, 47.

⁵ D.17-04-039 at 68 (Ordering Paragraph 6).

⁶ The IOUs' Automatic Limiter Advice Letter was filed as Advice Letter 4267-E (SCE), 5902-E (PG&E), and 3580-E (SDG&E).

⁷ Joint Automatic Limiter Advice Letter at 5 (Table 5).

procurement is far in excess of the CCAs' collective 1% procurement obligation of 69 MW,⁸ and is more than enough to trigger the automatic limiter.

COST EFFECTIVENESS

OP 5 of D.13-10-040 requires that CCAs' bi-annual advice letters "describe [the CCA's] methodology for measuring cost-effective projects."

This requirement has been rendered moot, as due to the automatic limiter, Peninsula Clean Energy does not have an energy storage procurement obligation nor does it have any ES procurement towards this obligation to report the cost-effectiveness of.

Cost effectiveness is a critical part of Peninsula Clean Energy's procurement strategy. Peninsula Clean Energy will procure cost-effective ES resources, with the potential exception of the recent D.21-06-035 procurement mandate, which requires Peninsula Clean Energy to procure 19 MW of Long Duration Storage (at least 8 hours), regardless of cost effectiveness. Peninsula Clean Energy considers a cost effective project to be a project with a positive net present value.

ENERGY STORAGE PROCUREMENT EFFORTS

Peninsula Clean Energy's original ES procurement goal, as adopted in D.13-10-040, is 1% of Peninsula Clean Energy's peak load in 2020. Peninsula Clean Energy's 2020 peak loss-adjusted load was 681 MW, giving Peninsula Clean Energy a 1% ES procurement target of 6.81 MW. This goal has been subsequently modified by the D.17-04-054 automatic limiter, which has been fully triggered, reducing Peninsula Clean Energy's ES procurement goal to 0 MW.

Despite the automatic limiter's elimination of its 1% ES procurement obligation, Peninsula Clean Energy remains committed to procuring energy storage resources. Peninsula Clean Energy's ES procurement as of January 1, 2024 is as follows:

1. Peninsula Clean Energy has procured 3.82 MW of currently operational ES resources. These resources include:
 - a. 3.82 MW of new, local residential energy storage in San Mateo County
2. Peninsula Clean Energy has procured approximately 214 MW of ES resources slated to come online in the 2024-2026 time frame. These resourced include:
 - a. 52 MW Chaparral Storage project, slated to come online in 2024
 - b. 50 MW Arica Storage project, slated to come online in 2024
 - c. 45 MW Lockhart Storage project, slated to come online in 2024
 - d. 50 MW Nova Storage project, slated to come online in 2024
 - e. 14.7675 MW share of the Tumbleweed Long Duration Storage project, slated to come online in 2026
 - f. Additional <0.5 MW of new, local residential energy storage in San Mateo County, slated to come online by 2024, which contributes to Peninsula Clean Energy's goal of building 20 MW of new, local power projects by 2025.

⁸ Id.

- g. Additional 2.6 MW of nonresidential storage projects in San Mateo County and the City of Los Banos, slated to come online by 2025, which will also contribute to Peninsula Clean Energy’s goal of building 20 MW of new, local power projects by 2025.
3. Peninsula Clean Energy’s planned ES procurement is demonstrated in the most recent Integrated Resource Plan⁹ filed in the Integrated Resources Planning Docket and our most recent Strategic Plan¹⁰. This planned ES procurement includes the following planned resources:
- a. 20 MW of new power projects located in San Mateo County to come online by 2025, a portion of which will be ES resources;
 - b. 19 MW of Long Duration Storage (8-hr or longer) resources, per the procurement mandates in D21-06-035¹¹
 - c. Additional utility-scale ES resources of approximately 110 MW by 2026, and 380 MW by 2030, for a total ES capacity of approximately 321 MW by 2026 and 592 MW by 2030.

This procurement includes several significant ES projects, described in more detail below. Taken together, these projects clearly demonstrate Peninsula Clean Energy’s dedication to pursuing cutting-edge projects and procuring more than its share of renewable integration resources.

Chaparral Storage Project – In Development

On September 27, 2021, Peninsula Clean Energy entered into a 15-year PPA for solar plus storage, including 52 MW of ES capacity from Leeward Energy. This project is currently in development, with an expected COD of early 2024.

Arica Storage Project – In Development

On October 29, 2021, Peninsula Clean Energy entered into a 15-year PPA for solar plus storage, including 50 MW of ES capacity from Clearway Energy. This project is currently in development, with an expected COD of 4/1/2024.

Lockhart Storage Project

On May 1, 2023, Peninsula Clean Energy entered into a 15-year PPA for standalone storage including 45 MW of ES capacity from Terra-Gen, LLC. This project is currently in development, with an expected COD of 6/1/2024

Nova Storage Project

On December 14, 2022, Peninsula Clean Energy entered into a 15-year PPA for standalone storage including 50 MW of ES capacity from Calpine Corporation. This project is currently in development, with an expected COD of August 1, 2024.

⁹ Peninsula Clean Energy’s Integrated Resources Plan is available on our website at: <https://www.peninsulacleanenergy.com/regulatoryfilings/>

¹⁰ Peninsula Clean Energy’s Strategic Plan is available on our website at: [https://www.peninsulacleanenergy.com/wp-content/uploads/2020/06/Peninsula Clean Energy-Strategic-Guide-Online-W.pdf](https://www.peninsulacleanenergy.com/wp-content/uploads/2020/06/Peninsula-Clean-Energy-Strategic-Guide-Online-W.pdf)

¹¹ <https://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=389603637>

Tumbleweed Long Duration Storage Project

On January 24, 2022, CCPower, a joint powers authority comprised of nine California CCAs, entered into a 15-year PPA for long duration storage including 69 MW of ES capacity from LS Power. On December 15, 2022 CCPower signed an amendment to increase the capacity to 75 MW. Peninsula Clean Energy is a member of CCPower and has a share of 14.7675 MW of the project. The project is currently in development, with an expected COD of 6/1/2026.

New, local energy storage in San Mateo County – Online and Under Construction

Peninsula Clean Energy has procured 6.92 MW of new, local energy storage in San Mateo County and the City of Los Banos. Approximately 3.82 MW of this storage is already online, and the rest is slated to come online by 2025. This procurement contributes to Peninsula Clean Energy’s goal of 20 MW of new, local power plants.

NOTICE

Anyone wishing to protest this advice 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, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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

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

Jeremy Waen
Senior Director of Regulatory Policy
Peninsula Clean Energy
2075 Woodside Road
Redwood City, CA 94061
jwaen@PeninsulaCleanEnergy.com

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.

Peninsula Clean Energy is serving copies of this advice filing to the relevant parties shown on the G.O. 96-B and R.15-03-011 service lists. 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.

CORRESPONDENCE

For questions, please contact Jeremy Waen at (650) 257-8026 or by electronic mail at jwaen@peninsulacleanenergy.com.

/s/ Jeremy Waen

Jeremy Waen
Senior Director of Regulatory Policy
Peninsula Clean Energy Authority

cc: G.O. 96-B Service List
R.15-03-011 Service List