

## DOCKETED

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<b>Project Title:</b>	AltaGas Pomona Energy
<b>TN #:</b>	217774
<b>Document Title:</b>	Applicant's Request for Suspension
<b>Description:</b>	Altagas Pomona Energy Inc.'s Request for Suspension of the Small Power Plant Exemption Application Proceeding for the Pomona Repower Project
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**STATE OF CALIFORNIA**

**Energy Resources Conservation  
and Development Commission**

**In the Matter of:**

**THE SMALL POWER PLANT  
EXEMPTION APPLICATION**

**POMONA REPOWER PROJECT**

**Docket No. 16-SPPE-01**

**ALTAGAS POMONA ENERGY INC.'S REQUEST FOR SUSPENSION OF THE  
SMALL POWER PLANT EXEMPTION APPLICATION PROCEEDING FOR THE  
POMONA REPOWER PROJECT**

May 31, 2017

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**STATE OF CALIFORNIA**

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**In the Matter of:**

**POMONA REPOWER PROJECT**

**ALTAGAS POMONA ENERGY INC.**

**Docket No. 16-SPPE-01**

**ALTAGAS POMONA ENERGY INC.'S REQUEST FOR SUSPENSION OF THE  
SMALL POWER PLANT EXEMPTION PROCEEDING FOR THE  
POMONA REPOWER PROJECT**

Pursuant to Title 20, California Code of Regulations, section 1211.5, AltaGas Pomona Energy Inc. (“AltaGas Pomona” or “Applicant”) submits this Request for Suspension of the Small Power Plant Exemption (“Request”) proceeding for the Pomona Repower Project (“Pomona” or “Project”).

On March 21, 2016, AltaGas Pomona filed an Application for Small Power Plant Exemption (“SPPE Application”) with the California Energy Commission for a natural gas-fired, simple-cycle, electrical generating facility with a nominal net output of 100 megawatts to replace the existing San Gabriel facility in Pomona, California. The Project would be located on the existing two-acre parcel and would use existing supply and discharge lines, including natural gas, potable and recycled water supply, process wastewater, and sanitary wastewater.

During the processing of Applicant's SPPE Application, Southern California Edison ("SCE") announced that the Pomona project site was selected as a location for an energy storage facility, which resulted in the execution of a 10-year Energy Storage Resource Adequacy Purchase Agreement for 20 MW of resource adequacy from lithium-ion batteries. (See Applicant's Update to Status Report #3 (TN# 212801); see also Record of Conversation with CEC Staff Regarding SPPE (August 16, 2016) (TN# 212839).) The Pomona battery storage project stemmed from SCE's 2016 Aliso Canyon Storage Request for Offers to address electrical reliability risks due to the moratorium on injections into the Aliso Canyon Natural Gas Storage Facility. Applicant informed the Commission and Staff of the battery storage project and provided monthly updates regarding the progress of the same throughout this proceeding. (*Id.*; see also Status Reports #4 through #9 (TN#s 213640, 214003, 214488, 214803, 215323, and 216029).)

During the construction and implementation of the battery storage project, Applicant continued to evaluate interconnection and transmission issues relating to the Project, as well as market conditions. The Project was initially developed in 2015 (the subject of the pending SPPE Application) when Applicant anticipated the need for additional natural gas-fired generation at the site. However, based on current market conditions, Applicant does not anticipate any near-term natural gas-fired Requests for Offers ("RFOs") to accommodate the Project as proposed. Applicant's Status Reports #11 and #12 (TN#s 217042 and 217602, respectively) raised this concern. In fact, in Status Report #12, Applicant requested a change to the deadline for filing monthly Status Reports to filing quarterly status reports<sup>1</sup> to allow Applicant time to continue

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<sup>1</sup> Applicant requested a change to the May 26, 2016 Scheduling Order (TN# 211661) to require Status Reports quarterly, rather than monthly. Applicant notes that this Request for Suspension supersedes its May 15, 2017 Request to Change Status Report Filing Deadlines.

evaluating market conditions and interconnection issues.

Because Applicant indicated in its previous Status Reports that various issues had delayed continued progress on the development of the Project, in its May 15, 2017 Status Report #12, Staff indicated that it had informally suspended work on the Initial Study and that Staff intended to submit a formal suspension request to the Committee.<sup>2</sup> (See TN# 217601.) In response to Staff's filing, on May 26, 2017 counsel for the Applicant and Applicant's representative Peter Ledig spoke with Lon Payne (Staff Project Manager) and Lisa DeCarlo (Senior Staff Counsel) to provide an overview of the issues Applicant has faced with regard to the continued development of the Project. Applicant and Staff agreed during that discussion that suspension of the SPPE Application proceeding was appropriate at this time.

Applicant explained to Staff that while evaluating market conditions and in light of no new natural gas RFO's on the horizon, Applicant exercised its one-time right to "park" the project's California Independent System Operator ("CAISO") Queue Cluster 8 TP Deliverability Allocation for one year. SCE estimates that CAISO will issue the next round of TP Deliverability Allocation results in early March 2018, and Applicant will have seven (7) business days from the date of notification by SCE of such results to respond regarding the "parked" project.<sup>3</sup>

Given this anticipated timing and for the reasons set forth herein, Applicant respectfully requests that the Committee issue an order suspending Staff's work on the SPPE Application for the Project until April 2, 2018. In addition, Applicant requests that the Committee also suspend

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<sup>2</sup> Applicant understands that Staff has completed a significant amount of work on the Initial Study. Applicant appreciates all of the work Staff has completed to date.

<sup>3</sup> This year, the TP Deliverability Allocation results were available on or about March 7, 2017. Applicant received notification of such results from SCE on or about March 17, 2017.

the requirement for filing of monthly Status Reports.<sup>4</sup> Applicant will, however, commit to submitting a Status Report on or before March 30, 2018 explaining its intentions for the Project and the related future processing of the SPPE Application.

Dated: May 31, 2017



By: \_\_\_\_\_

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<sup>4</sup> This request supersedes Applicant's request in Applicant's Status Report #12 (TN# 217602) to change the status report filing deadlines from monthly to quarterly. *See also* footnote 1, *supra*.