

<b>DOCKETED</b>	
<b>Docket Number:</b>	21-ESR-01
<b>Project Title:</b>	Energy System Reliability
<b>TN #:</b>	245059
<b>Document Title:</b>	350 Bay Area Comments - Newsom--deliver demand response and battery storage, not Diablo Canyon
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	350 Bay Area
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	8/16/2022 9:14:21 AM
<b>Docketed Date:</b>	8/16/2022

*Comment Received From: 350 Bay Area  
Submitted On: 8/16/2022  
Docket Number: 21-ESR-01*

## **Newsom--deliver demand response and battery storage, not Diablo Canyon**

â€‹Governor Newsom--deliver demand response and battery storage, not Diablo Canyon

350 Bay Area details below how California policy can keep the lights on, save rate payers money, keep electricity affordable, support environmental justice communities, and accelerate getting to a 100% renewable grid. Extending Diablo Canyon meets NONE of these objectives.

Speakers and pro-nuclear commenters at the CEC workshop on August 12th 2022 presented a false dichotomy, claiming Diablo Canyon should be extended to avoid relying on continued polluting fossil fuel generation by OTC gas generation and diesel BUGS. However CAISOâ€™s projected 1700 MW â€œgapâ€ caused by closure of Diablo Canyon could easily be met if the governor and legislators mandate that the CEC and the CPUC rapidly and fully unleash renewable flexible local resources which can keep the lights on. Battery storage and demand response flexibility are currently and near term available for rapid response to grid needs. CAISO projects nearly 4000 megawatts total battery storage this summer, and the CPUC projects 15,000 megawatts of total energy storage by 2030 in Integrated Resource Planning (IRP). In addition the CPUC projected 2418 MW of Demand Response in 2021 in its 2019-2020 IRP. (Collectively, Energy Efficiency, Demand Response, Distributed Generation and local Energy Storage are referred to as Distributed Energy Resources (DER)). DER are local, flexible, save money for ratepayers by minimizing the need for investment in new distribution and transmission infrastructure, can (and should) be renewable energy, and can be deployed when and where needed.

Instead of wasting millions of dollars as proposed by the governor to explore extending the license of Diablo Canyon and abrogating the public process required in licensing to assess seismic and tsunami safety of Diablo Canyon, the governor should apply his authority, sense of urgency, and new state funds to do the following:

I. Accelerate investments in energy storage, especially batteries which can be brought online far more rapidly than new gas generation or fixing Diablo Canyon to address tsunami and seismic risks. Battery storage on the Distribution Grid should be central. Battery storage has rapid response to provide extra energy needed for peak demand on hot days

Batteries have multiple other benefits, such as 1) using midday solar peak to charge (instead of curtailing energy) 2) providing emergency back-up power if grid goes down 3) provide flexible grid support and integration. Battery storage performs functions that legacy nuclear, coal, and gas plants simply cannot do.

II. Accelerate investment AND mandate CEC and CPUC policy to unleash Demand Flexibility, to reduce or shift customer demand at peak periods.

Demand flexibility can reduce electricity peaks, saving ratepayers money and keeping lights on. It can be mandated as a renewable resource (ie not using diesel or gas generation), consistent with climate goals and support for environmental justice communities

III. The governor's office should also immediately require review and appropriate expediting of interconnections for battery and solar plus battery installations on the distribution grid and on the transmission grid. For example, the CPUC could identify and prioritize interconnection upgrades for battery storage, and solar plus battery storage projects which address reliability needs and/or ratepayer benefits. Supply chain issues are real, but it is unconscionable that clean energy authorized for procurement by CPUC is not available to meet California ratepayer needs. Where is the urgency to address emergency reliability needs using resources that meet California's preferred resources, show commitment to ESJ communities, and provide long term solutions?

IV. In addition, the economic case for residential customers to invest in battery storage is strongest if they can charge from an on-site solar resource. The governor should insist that the current NEM proceedings does not result in a decrease in new rooftop solar installations. Of note, one third of all solar installed in California over the past five years was on residential rooftops.

The governor can be a leader in keeping the lights on and keeping electricity affordable by accelerating batteries and demand response. He will accomplish neither of these objectives by extending Diablo Canyon. Diablo Canyon cannot respond to meet the peak demand in extreme weather events and changes in demand because it has to run constantly at the same level. It cannot respond to transmission outages caused by wildfires which require local resiliency. Diablo Canyon was running and did not prevent the outages in 2020; in fact, CAISO had to hold large reserves to guard against the possibility that Diablo Canyon could fail and bring down the Western Grid.

An extension would result in an increased burden on ratepayers who are already paying approximately a billion dollars extra in the decommissioning process. PG&E estimated in sworn testimony in 2016 that the plant would cost about \$1.7 billion per year from 2025 to 2030 to extend.

Investing in battery storage and demand response provides flexible rapidly responsive modular power instead of one large and inflexible nuclear plant.