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CALSSA comments on ESS requirements in the 2025 Energy Code

Additional submitted attachment is included below.

CALIFORNIA SOLAR + STORAGE ASSOCIATION
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August 13, 2023

Subject: Comments on Docket 22-BSTD-01 – Proposed 2025 Energy Code Heat Pump Baselines and Photovoltaic System Requirements

Dear California Energy Commissioners and staff:

Thank you for the opportunity to provide public comment on the Energy Commission's proposed requirements for energy storage systems (ESS) in the 2025 Energy Code. ESS are a crucial component of the Energy Code as they are one of the most effective tools to reduce a property's greenhouse gas emissions, especially in the late afternoon and evening. The ESS requirement for commercial buildings and compliance credit for single-family homes is spurring installation, and we expect the compliance credit, which is important to builders, to lead to greater and greater uptake.

We conceptually support the Commission staff's proposal to amend the JA12 operational requirements governing the use of ESS used to meet the Energy Code's performance standards. Specifically, we conceptually support the requirement for ESS in single family homes to revert to high cycling every 72 hours in the event the property owner sets the ESS to a high backup reserve. This framework represents a reasonable approach that largely preserves customers' ability to utilize their systems as they see fit given their specific circumstances, while also ensuring that the capacity of these systems is not inadvertently left in a non-cycling mode that may compromise the efficacy of ESS in reducing GHG emissions. We also support the Commission's plans to allow ESS to avoid the 72-hour reversion to high cycling and maintain a high reserve level during current power outages and possible imminent outages.

In the discussions to date, the storage industry has expressed the importance of ensuring that a home that opts for a larger ESS is not obligated to dedicate more capacity to cycling than a comparable home with smaller battery if both homes are receiving the same compliance credit. How to structure the capacity amount that must be in high cycling mode and the corresponding compliance credit warrants more discussion. One viable option is to set the threshold in capacity (i.e. kWh) terms rather than in percentage terms.

As the Commission explores this operational framework, we will need to set rules to on how to determine the amount of capacity that needs to be cycled regularly, the inverse of which is the acceptable capacity that an ESS can hold in reserve (for the provision of backup power in the event of a grid outage). Reserved capacities that exceed this threshold will be deemed "high" and trigger an automatic reset every 72 hours such that the backup reserve level is reduced to restore the level of cycling capacity to prescribed level. We conceptually support the Commission staff's proposal to allow builders to determine the amount of capacity that needs to be cycled regularly.

Another key issue that requires further discussion is the value of the credit accorded to ESS that can be used toward meeting Title 24's building performance requirements. We conceptually support pegging the credit to the amount of capacity that needs to be cycled regularly. This will allow ESS in the 2025 standards to receive credit at levels similar to previous standards, which will spur the installation of ESS, achieving significant greenhouse gas reductions. We believe the industry and

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Commission staff are now aligned on this method to determine the credit. Staff have previously suggested a reduction in credit value of 30% based on an analysis indicating that approximately 60% of customers set their backup reserve to 30% or less. We would like to reiterate that this reduction is unwarranted. There are number of reasons to believe that this data set is unduly conservative and is not a reasonable representation of how we expect systems to operate in the future. First, under the net benefits tariff recently adopted by the CPUC, and which we would expect most customers subject to the updated Energy Code requirement to take service, there are strong economic incentives for battery cycling. The systems that comprise the dataset underlying the 30% credit reduction concept are not subject to this tariff which has yet to go into effect. Second, the systems in this dataset are not subject to the proposed operational framework that is being proposed by the CEC whereby a system set in a high state of backup reserve for 72 hours will automatically revert to a lower backup reserve level. We would expect both of these factors to ensure that a greater share of the capacity being deployed is cycling regularly compared to systems operating today.

We thank the Commission staff for working with the solar and storage industry to craft the optimal requirements for ESS in the 2025 building standards, and we look forward to the continued cooperation.

Sincerely,

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