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BRIEF

SCE taps Tesla for 80 MWh storage project to deal with Aliso Canyon gas shortage

By Gavin Bade • Sept. 16, 2016

Dive Brief:

- Southern California Edison has awarded Tesla contracts to supply 20 MW (80 MWh) of lithium ion battery storage capacity at the utility's Mira Loma substation near San Bernardino, California.
- The project, expected to be operational by the end of the year, is part of an expedited storage deployment ordered by the California Public Utilities Commission in response to the Aliso Canyon methane leak that has depleted natural gas supplies for generators in the Los Angeles basin.
- Upon completion, the project will be the largest lithium ion energy storage facility in operation, though fellow California utility San Diego Gas & Electric has a larger, 120 MWh battery project planned with AES and Samsung, which is expected to be operational at the end of January 2017.

Dive Insight:

Mostly confined to utility pilot projects before this year, the Aliso Canyon methane leak has helped break the dam for large-scale lithium ion battery facilities, at least in California.

In August, SDG&E received regulatory approval for two battery projects totaling 37.5 MW (150 MWh). The facilities — a 30 MW, 120 MWh project in

Escondido and a 7.5 MW, 30 MWh project in El Cajon — will be constructed by AES using Samsung batteries.

Later that month, SCE unveiled a 20 MW (80 MWh) battery project to be constructed at its Pomona gas plant in the east LA Basin. That project will be built by Calgary-based AltaGas and use Greensmith batteries.

But neither of those projects are expected to be online before the Tesla project announced Sept. 15. Through the CPUC's expedited storage deployment, the company said it expects the Mira Loma project to be online by the end of the year. That would make it the largest lithium ion battery in use, at least for a time.

The contract addresses a specific request from California regulators that SCE find storage projects that could be deployed by the end of the year to alleviate localized reliability concerns stemming from the nation's worst methane leak in history. Already this year, the Los Angeles municipal utility has been cleared to burn diesel fuel in generators that typically burn gas, and CPUC Commissioner Catherine Sandoval told a regulatory conference in July it would be a "miracle" if the state made it through the year without power interruptions.

In a post on the company's site, Tesla officials said its newly-opened Gigafactory in Nevada would allow the system to be manufactured and installed in three months. The company held a grand opening of the factory outside Reno in July, though it may not be complete for months.

When in use, the batteries will charge during off-peak hours and deliver power back to the grid during times of peak demand, according to the Tesla post, reducing the demand for natural gas-generated power.

Some environmentalists hope battery solicitations and other mitigation measures taken by utilities will convince regulators that the Aliso Canyon facility is no longer needed. Storage backers, meanwhile, say the contracts show that battery technology can meet large-scale grid needs today.

"The storage is being procured in a record time frame," Yayoi Sekine, a battery analyst at Bloomberg New Energy Finance said in a media report. "It highlights the maturity of advanced technologies like energy storage to be contracted as a reliable resource in an emergency situation." *Correction: An earlier version of this post misstated the expected inservice date for SDG&E's battery storage projects. It is the end of January 2017, not the end of 2017.*

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