

DOCKETED

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ENGIE NA Comments on 2022 Energy Code Rulemaking

Additional submitted attachment is included below.



July 7, 2021

Mr. J. Andrew McAllister, Ph.D.
Commissioner
California Energy Commission
1516 Ninth Street Sacramento, CA 95814

RE: Docket No. 21-BSTD-01 - Comments on the requirement for solar plus storage on new commercial buildings

Dear Commissioner McAllister,

ENGIE NA appreciates the opportunity to submit comments and respond to a number of concerns expressed by other comment filers regarding the 2022 Building Energy Efficiency Standards. ENGIE NA is one of the largest in-state solar, battery storage and energy efficiency providers to schools and public entities. ENGIE has deployed nearly 355 MWs of behind-the-meter solar PV across the country a majority of which is in California. ENGIE has also deployed storage paired with solar or as part of a microgrid adding up to approximately 35MWs.

We write in strong support for the solar plus storage mandate for new commercial buildings. Solar paired with storage is pivotal towards meeting California's 100% clean energy goals by 2045 as this goal cannot be achieved without new investments in a variety of distributed energy resources. Solar paired with storage will allow commercial customers to shift solar output to serve loads in costly peak hours which will significantly increase the value of the customer's solar investment through energy bill savings while providing significant benefits to the electric grid.

There are many benefits to solar paired with storage in an on-grid scenario despite some concerns raised to the contrary. These benefits are well documented and in practice for thousands of commercial customers today. A battery can store solar power when there is excess and allow customers a multitude of energy cost saving benefits which include: peak shaving, energy arbitrage during Time Off Use (TOU) deltas and the opportunity to discharge the battery in the most costly peak hours (4-9PM) supplying power to the electric grid when it is most needed. As an added incentive, commercial customers can claim the Investment Tax Credit (ITC) on solar plus storage systems which would allow customers to write down a significant portion of battery costs. This benefit is currently scheduled to phase down between now and 2024 but may get extended due to solar advocacy at the Federal level. Further, to meet the challenges associated with climate change, customers are increasingly requesting solar and storage systems to improve resiliency, where significant electricity can be produced and stored on-site and systems can island from the grid when grid power is lost. Increasing resiliency will be an imperative for commercial customers in the future that rely on continuous electric service.

Concerns have also been raised about the battery supply chain. ENGIE is currently experiencing a lead time for battery systems of 9 to 12-months. While this does require planning ahead, this is not a showstopper by any means and experienced developers/installers are well versed in managing projects around these constraints. In addition, the 100MW/400MWh of storage annually that is estimated to

result from this mandate would have minimal impact on supply considering the forecasted size of the industry.

Please feel free to contact me at 916 342-6311 or Margaret.Miller@engie.com with any questions on our comments.

Sincerely,

Margaret Miller

Government and Regulatory Affairs Director