

**BEFORE THE UTILITIES AND TRANSPORTATION COMMISSION OF  
WASHINGTON**

**IN THE MATTER OF AMENDING,  
ADOPTING, AND REPEALING  
WAC 480-100-238, RELATING TO  
INTEGRATED RESOURCE PLANNING,  
DOCKET UE-190698**

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**DOCKET UE-190698**

**COMMENTS OF THE ENERGY STORAGE ASSOCIATION**

The Energy Storage Association (“ESA”) appreciates the opportunity to submit these comments in response to the Notice of Opportunity to File Written Comments that was requested by the Utilities and Transportation Commission (“Commission”) in Docket UE-190698 (“Draft Rules”) on November 7, 2019. In our comments below, ESA expresses support for the Commission’s efforts to reform the Integrated Resource Planning (IRP) process in the Draft Rules. ESA also provides additional recommendations for the Commission’s consideration to ensure better integration of all planning processes in order to drive optimal outcomes for ratepayers.

**I. ABOUT THE U.S. ENERGY STORAGE ASSOCIATION**

ESA is the national trade association dedicated to energy storage, working toward a more resilient, efficient, sustainable and affordable electricity grid – as is uniquely enabled by energy storage. With more than 190 members, ESA represents a diverse group of companies, including independent power producers, electric utilities, energy service companies, financiers, insurers, law firms, installers, manufacturers, component suppliers, and integrators involved in deploying energy storage systems around the globe. Further, our members work with all types of energy storage technologies and chemistries, including lithium-ion, advanced lead-acid, flow batteries, zinc-air, compressed air, and pumped hydro among others.

## II. COMMENTS ON DRAFT REGULATIONS

### *i. Additional requirements needed to align regulations with 2017 Policy Statement*

ESA applauds the Commission for its ongoing efforts to update and incorporate best practices into its IRP rules. The Commission's October 2017 Report and Policy Statement on Treatment of Energy Storage Technologies in Integrated Resource Planning and Resource Acquisition ("Policy Statement"), describes in detail many of the best practices needed to ensure that ratepayers receive the most cost-effective solutions to facilitate a decarbonization of the electric grid. While the Draft Rules issued on November 7, 2019, are an important step in this process, ESA notes that the elements of the October 2017 Policy Statement have not yet been translated into actionable guidance in the Draft Rules. ESA contends that in addition to the need to update the Draft Rules in response to legislation passed in 2019, the elements of the Policy Statement remain critical to realize the policies set in place by such legislation as the Clean Energy Transformation Act (2019) affordably and reliably.

As ESA has noted in earlier filings, the following elements should be considered for incorporation into IRP guidance in the Draft Rules:

- 1) Requirement to use up-to-date storage cost estimates and cost forecasts to better identify near- and long-term prudence of storage, including guidance on conducting all-source Request for Offers ("RFP") to ensure that the most current price assumptions animate the modeling exercise and ultimately the selection of the most competitive resources;
- 2) Employ sub-hourly intervals in modeling to quantify the value of both capacity and flexibility benefits provided by energy storage;
- 3) Institute a "net cost" analysis of capacity investment options to more accurately compare energy storage with traditional capacity resources; and

4) Incorporate system flexibility needs into reliability metrics to better account for the characteristics of the future supply mix.

ESA understands from the Commission's guidance that the initial comments are intended to focus on process. ESA welcomes the opportunity to provide draft language for the Commission's consideration when the time is appropriate.

*ii. **Better integration of distribution planning is needed in the IRP process***

Additionally, while ESA recognizes that final regulations are not developed to implement the requirements of House Bill 1126 (2019), the current Draft Rules must better integrate the distribution resource planning ("DRP") process into the IRP timeline. As the Policy Statement notes, resource planning on the distribution system is a fundamentally different process than in IRPs. While the IRP evaluates the costs and benefits of a resource or a portfolio of resources at the system level, distribution planning supplements that analysis by analyzing the costs and benefits of resources on a spatially granular level. Additionally, system resource planning models are unlikely to be able to provide a granular, distribution level analysis that provides locational specific costs and benefits. ESA therefore respectfully recommends clearly articulating the timeline by which a DRP must be done and the points in the IRP process where the inputs will be necessary, in order to ensure a more holistic process.

The Commission's Policy Statement states that changes to the planning paradigms are needed:

"Utilities must move beyond the historical view of storage and adopt planning practices that break down the artificial barriers of traditional resource planning. A key goal of the IRP rulemaking is to facilitate that process by developing a new planning framework that more cohesively considers the relationship between generation, transmission, and distribution, allowing for a fair evaluation of hybrid resources such as energy storage."

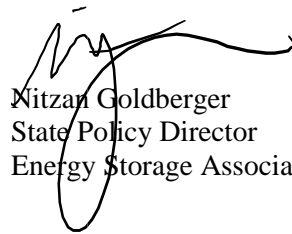
The Policy Statement then states that the Commission intends for the revised IRP rules to result in language that better defines the role of transmission and distribution planning in the IRP process. ESA strongly supports this goal as set out in the Policy Statement and also believes that it is appropriate for the utilities to incorporate a rigorous distribution resource planning component to their IRP process, as is suggested by House Bill 1126.

As the Draft Rules currently stands, the DRP is mentioned under the section of Distributed Energy Resources. The Draft Rules encourage utilities to engage in distribution resource planning and report a summary in the results in the IRP. ESA respectfully recommends that the integration of the DRP process in to the IRP should not merely include a report, but rather the rules could consider a timeline by which the DRP needs to get done and identify points in the IRP process where input from the DRP should be incorporated to ensure that the IRP better reflects the actions taking at the distribution level. This is a critical element to better integrating two planning paradigms.

### **III. CONCLUSION**

ESA commends the Commission and Staff for working to enhance the IRP process in Washington and believes that the reforms recommended in these comments will ensure that the outcome of the utility planning process results in the most affordable and reliable grid decarbonization process. ESA thanks the Commission for the opportunity to provide these comments and looks forward to further participation in this process.

Respectfully submitted this 20<sup>th</sup> day of December, 2019.



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