BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies.	Rulemaking 19-09-009

CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION GRANTING PETITION FOR MODIFICATION OF DECISION 20-06-017 BY CALIFORNIA SOLAR & STORAGE ASSOCIATION, IN PART

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission ("the Commission") Rules of Practice and Procedure, the Clean Coalition respectfully submits these reply comments on the *Proposed Decision* ("PD") *Granting Petition for Modification* ("PFM") *of Decision* ("D.") *20-06-017 by California Solar & Storage Association, in Part*, issued by the Commission on October 26, 2026. Clean Coalition's comments respond to the opening comments of the Joint Investor-Owned Utilities ("Joint IOUs"), California Solar & Storage Association ("CALSSA"), and Tesla, Inc. ("Tesla").

Clean Coalition supports the permanent removal of the 150% storage power-rating limitation, consistent with CALSSA's and Tesla's recommendations. These comments address the Joint IOUs' characterization of distribution upgrade costs and emphasize the need to recognize certified Power Control Systems ("PCS") and established cost-causation principles when determining grid impacts.

II. COMMENTS

A. The remaining concerns do not justify retaining the temporary storage sizing limitation.

CALSSA and Tesla correctly distinguish the original purpose of the 150% limitation from the broader questions of export compensation and interconnection application fees identified in the PD. The limitation was intended to prevent oversized storage systems paired with minimal solar generation from avoiding responsibility for distribution upgrades. As both parties explain, appropriate cost-responsibility provisions directly address this concern without requiring continued restrictions on installed storage capacity.[1]

The Joint IOUs support extending the exemption but contend that additional evaluation is necessary before removing the limitation permanently. However, concerns about application processing costs and export compensation can be addressed through their respective regulatory

[1] CALSSA Opening Comments at pp. 2–3; Tesla Opening Comments at pp. 5–8.

mechanisms, rather than conditioning storage deployment on completion of the NBT evaluation. As Tesla notes, interconnection application fees are already under consideration in R.25-08-004.[2] Furthermore, NBT export compensation is specifically designed to encourage exports during periods of higher system value.

The Commission can permanently remove the 150% limitation as a restriction on NEM/NBT-paired storage while retaining appropriate cost-responsibility provisions for incremental grid upgrades directly caused by oversized storage. This approach addresses the original purpose of the limitation without unnecessarily restricting deployment or requiring stakeholders to revisit the same policy after another temporary extension.

B. Grid upgrade costs must be attributable to oversized storage and reflect actual operating limits.

The Joint IOUs cite approximately $14 million in SCE distribution upgrade costs associated with NEM/NBT customers as evidence that cost shifting is occurring. However, this aggregate figure does not establish what portion, if any, is attributable specifically to storage systems exceeding the 150% threshold. Consequently, it does not demonstrate that the temporary removal of the storage sizing limitation caused those expenditures.[3]

Importantly, the Joint IOUs themselves recommend limiting customer responsibility to costs that are incremental, not already recovered, and triggered by oversized paired storage.[4] Clean Coalition supports these principles and emphasizes that responsibility should extend only to necessary, reasonable, and demonstrable incremental costs directly attributable to a project's authorized grid-facing operations, with estimated charges reconciled against actual expenditures.

Tesla further clarifies that costs associated with grid charging should remain subject to existing Electric Rules 2, 15, and 16.[5] These established provisions should not be displaced or duplicated by new requirements addressing oversized storage exports.

C. PCS must be recognized to avoid unnecessary upgrades and preserve storage capacity for resilience.

CALSSA specifically recommends recognizing certified PCS when applying the 150% threshold, explaining that gross storage nameplate capacity can substantially overstate the power a system is

[2] Tesla Opening Comments at p. 7.
[3] Joint IOUs Opening Comments at pp. 3–4.
[4] *Ibid*., at p. 4.
[5] Tesla Opening Comments at pp. 9–10

authorized to exchange with the grid. PCS can enforce export and import limits independently of the installed battery capacity, allowing projects to avoid unnecessary distribution upgrades.[6]

The Joint IOUs' proposed cost-responsibility provisions should not be interpreted as requiring grid upgrades or associated charges solely because installed storage exceeds the 150% threshold. The Commission should expressly require utilities to evaluate certified PCS-based export and applicable import limits when determining whether upgrades are necessary. Where enforceable operating limits adequately address grid constraints, additional storage capacity should not trigger unnecessary upgrades or customer charges.

Furthermore, storage energy capacity (kWh) should not be unnecessarily restricted by limitations on grid-facing power (kW). Customers should be permitted to install the battery capacity necessary to provide extended resilience, electrification, and grid services, subject to applicable safety and interconnection requirements.

III. CONCLUSION

Clean Coalition appreciates the Commission's continued support for oversized energy storage and urges adoption of the PD with modifications permanently removing the storage sizing limitation, recognizing PCS-based operational limits, and ensuring that upgrade costs are limited to necessary and demonstrable incremental expenditures. These changes will support greater resilience and grid reliability while protecting ratepayers against unnecessary infrastructure costs.

Respectfully submitted,

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[6] CALSSA Opening Comments at p. 6.