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California Public Utilities Commission Electric Safety and Reliability Branch (ESRB) Safety and Enforcement Division (SED) 505 Van Ness Avenue San Francisco, California 94102

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# **RE: Aypa Comments on Draft Resolution ESRB-13**

Pursuant to the provisions of General Order 167-C, circulated on January 27, 2025, Aypa Power ("Aypa") hereby submits these comments on Draft Resolution ESRB-13, which updates General Order (GO) 167 to enhance the safety and reliability of electric generating facilities and energy storage systems in California.

Overall, Aypa supports Draft Resolution ESRB-13, which updates GO 167 to enhance the safety and reliability of electric generating facilities and energy storage systems in California. We appreciate and acknowledge the hard work and commitment of the California Public Utilities Commission ("CPUC") staff in addressing this issue and engaging with stakeholders on the Draft Resolution over the past year. As recognized by the CPUC, California Energy Commission ("CEC"), and California Air Resources Board ("CARB"), energy storage systems will prove integral to meeting the state's SB 100 goals.<sup>2</sup> Therefore, it is of paramount importance that industry and regulators alike work to develop the robust safety framework outlined in Draft Resolution ESRB-13.

We agree with staff that "the proposed changes [in the Draft Resolution] are beneficial to public safety, service reliability, and may help prevent future incidents involving fatalities, injuries, and safety and reliability issues." In the following sections, we express our support for Draft Resolution ESRB-13 and also highlight two amendments to ensure it is as robust and comprehensive as possible:

- Extend the Implementation to New Facilities
- Revise Requirements for Spare Parts

#### INTRODUCTION TO AYPA I.

<sup>&</sup>lt;sup>1</sup> Draft Resolution at 11.

<sup>&</sup>lt;sup>2</sup> CEC, CPUC, CARB. <u>2021 SB 100 Joint Agency Report</u> at 108.



Aypa is a portfolio company of Blackstone Inc. (NYSE: BX) that develops, owns, operates, and optimizes utility-scale battery energy storage and hybrid renewable energy projects across North America. Aypa has been at the forefront of energy storage development since its first energy storage project came online in 2018. Today, Aypa has over 22 gigawatts (GW) of projects under development, 33 projects in operation or construction, and eight projects in California.

Aypa takes the safety of its systems very seriously. We employ a best-in-class, layered safety approach focused on facility design, thermal cooling systems, battery chemistry, product safety, monitoring systems, and safety code compliance to ensure the safety of all our projects. Through the combination of our modern outdoor design, state-of-the-art liquid cooling, 24/7 early detection monitoring, and commitment to modern safety standards, we ensure that our facilities are designed to minimize safety and fire risks.

In the unlikely event that a fire should occur, the early detection monitoring and use of redundant sensors will automatically trigger alerts to local fire departments and remote operations centers. Aypa projects rely on this best-in-class technology to maximize safety and minimize fire risk.

## II. RECENT EVENTS & IMPROVED BESS SAFETY PRACTICES

While fires at energy storage facilities are extremely rare, the topic has received significant attention due to recent high-profile fire events in the state. These incidents are of utmost concern to Aypa and all stakeholders in the market.

When considering these recent events, however, Aypa would like to highlight that these fire incidents occurred in facilities with configurations that no longer represent today's best-in-class practices or technologies. For example, recent fires occurred where batteries were stored inside buildings with little physical separation and limited air cooling systems to maintain safe temperatures. Today, these are not the best practices for ensuring fire risk mitigation.

Key industry stakeholders have since recommended that "all future front-of-meter BESS facilities using chemistries that are susceptible to thermal runaway be developed in modular outdoor enclosures." We fully support this recommendation and believe it will play a crucial role in reducing fire risk.

Fire safety best practices have evolved significantly over the years, and in recent years, the market has implemented substantially more stringent safety standards at facilities. Today, new facilities are rigorously regulated and incorporate proven safety designs to protect both the facility and the broader community.

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<sup>&</sup>lt;sup>3</sup> See "California Battery Energy Storage Safety Recommendations."



Energy storage projects must adhere to the California Fire Code, which includes National Fire Protection Association ("NFPA") standards. Specifically, NFPA 855 (Standard for the Installation of Stationary Battery Energy Storage Systems), published in 2020, was developed to minimize fire risk by ensuring that any fire remains confined to a single rack of vertically stacked batteries.<sup>4</sup> As the market continues to evolve, NFPA 855 is regularly updated to reflect the latest safety technology and best practices, with the most recent update in 2023. Now recognized as the industry gold standard, Aypa ensures that all its projects in California comply with NFPA 855 to enhance safety and minimize fire risk.

Reinforcing this progress, Los Angeles Fire Chief Marrone stated at a Los Angeles County Board of Supervisors meeting in November 2024 that while fire events have occurred, "as time goes on, the technology is getting better, and the safety of the facilities is increasing." Notably, Aypa employs highly modular outdoor enclosures designed in alignment with NFPA 855. In the unlikely event of a fire, these modules contain the incident within the originating unit, preventing the spread to adjacent enclosures and maintaining safe temperatures. The market's shift toward implementing more rigorous and comprehensive safety standards represents a crucial advancement, strengthening consumer protection, regulatory compliance, and overall industry integrity.

### III. COMMENTS & RECOMMENDATIONS

Aypa's top priority is to develop and operate safe, clean energy projects that will help the state achieve its decarbonization goals. Therefore, Aypa maintains that a proactive and comprehensive approach is needed to ensure the implementation of appropriate and effective safety solutions at all existing and future energy storage facilities.

To ensure the development and operation of safe projects, we proactively engage with state and local regulators, local fire departments, and community stakeholders. Developing and maintaining public trust in our work is of utmost importance to Aypa. We prioritize transparency in our processes, provide accessible safety information, and actively engage with communities to address concerns. By fostering open dialogue and demonstrating our commitment to safety and sustainability, we aim to build lasting relationships with the communities we serve.

For these reasons, Aypa supports Draft Resolution ESRB-13. As the market continues to evolve, it is critical to work collaboratively to develop a robust safety regulatory framework for the state, especially given the high stakes of any safety or fire event. We appreciate CPUC staff's dedication to the topic and their work over the past year to engage with stakeholders on the Draft Resolution.

https://www.nfpa.org/codes-and-standards/nfpa-855-standard-development/855.a

<sup>4 &</sup>quot;NFPA 855 Standard Development."

<sup>&</sup>lt;sup>5</sup> Los Angeles County Board of Supervisors Meeting, November 26, 2024. Accessed here.



To further strengthen the Draft Resolution, we recommend the following amendments:

# 1. Extend the Implementation to New Facilities

First and foremost, Aypa supports the 180-day implementation timeline for existing facilities, as we believe it will allow ample time to plan, coordinate, and implement the new standards and regulations.

To further strengthen the Draft Resolution, we recommend that the Commission also apply a 180-day implementation timeline to new facilities, defined as those with a Commercial Operation Date ("COD") within six months of the final approval of GO 167-C. New projects will need more than the current 30-day deadline to file the Verified Statement for Logbook Standards and the 90-day requirement for Initial Certification of Maintenance and Operations Standards. Given that these projects will employ the latest technology, allowing sufficient time for proper implementation is essential.

## 2. Revise Requirements for Spare Parts

The Draft Resolution currently mandates that spare parts be stored on-site for a given project. While Aypa does maintain spare parts at our facilities, we believe that modifying GO 167 to require on-site storage at battery storage facilities may not be practical for the following reasons:

- Spare parts have no significant mechanical components.
- Many sites have limited space, and in some cases, certain spare parts may be unnecessary—especially for newer, more reliable facilities or locations where off-site storage allows for more efficient access.
- Simply having spare parts on-site does not directly address reliability concerns, which are typically the responsibility of the General Operator.

For the reasons discussed above, we recommend removing the requirement for on-site spare parts storage.

## IV. CONCLUSION

Aypa appreciates the opportunity to submit these comments on the Draft Resolution. We remain steadfast in our commitment to the safety and reliability of our energy storage projects, recognizing that a proactive approach is essential to advancing the state's clean energy goals. Aypa looks forward to continued engagement with the Commission and its stakeholders to help shape a framework that is both rigorous and effective, ensuring the highest standards of safety, performance, and public trust in the energy transition.



Respectfully submitted,

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