



When Government & Energy Companies Work Together Spending Big to Find the Right Balance Between Fleecing the Ratepayer & Endangering Them

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Moss Landing, Calif.**

In October 2018, a journalist with Green Tech Media wrote an article entitled, “Showdown at Moss Landing.” At the time, the Moss Landing Power Plant was moving forward as a landmark battery energy storage project, however, it was highly opposed by an advocate group for the Californian ratepayer with the mission, “to obtain the lowest possible rate for service consistent with safety, reliability, and the state's environmental goals.” It was also opposed by Calpine, a gas plant operator, who would be in competition with proposed battery storage systems.

The Moss Landing Power Plant has experienced transmission congestion issues on Path 15 for decades. It was so bad during the early 2000s California energy crisis that on “May 28, 2001, then-Secretary of Energy directed WAPA to complete its planning to relieve the Path 15 constraints. WAPA was then directed to construct the Path 15 upgrade.” The work was completed in 2004, however, this did not alleviate all of the transmission issues.

The California energy crisis during the early 2000s was largely caused by market manipulations and capped retail prices for electricity. Energy companies, such as Enron, exploited a loophole in the law created by AB 1890 (1996) and then-Governor Pete Wilson that deregulated some of the energy industry. This led to the bankruptcy of PG&E and near bankruptcy of Edison in southern California.

It was also not uncommon for a gas plant to threaten closure if it couldn't “extract above-market payments from ratepayers,” as reported by Green Tech Media. Upgrading the transmission lines wouldn't make much of a difference at the time because of the loophole energy companies were exploiting in deregulated markets. PG&E would sell to Duke Energy in 1998 due to deregulation. The latest owner, Dynegy, a company acquired by Vistra, had considered closing its portion of the Moss Landing Power Plant in 2017 because of an overabundance of electricity in California.

A year later in 2018, instead of upgrading or improving the infrastructure such as the transmission lines, PG&E in cahoots with CA Independent Systems Operator and CPUC, would engage in an expedited approval process from CPUC for the installation of four battery energy storage systems, two of which would be largest in the world at the time of construction. It was argued that the move from gas to renewable, specifically the Moss Landing Power Plant project, would save the ratepayer \$233 million over a decade compared to keeping the Metcalf-Moss Landing gas plant open. The Moss Landing battery storage project would not alleviate transmission congestion, it merely would allow the utility company to capture energy when it was cheapest and sell when it was most expensive.



When evaluating Moss Landing, CPUC opted to use the advice letter procedure to expedite the process. The ratepayer advocate group, now known as Public Advocates, suggested that, “The advice letter process is ill suited for approval of new storage capacity in excess of 170 percent of existing investor-owned utility battery storage capacity.”

During this process it would be revealed that a “\$14 million transmission update could alleviate much of the capacity constraint by 2019.” The battery storage project at Moss Landing could cost an estimated \$500 million to \$800 million, and would not alleviate transmission issues.

In 2024 alone, CPUC approved six rate increases for PG&E. PG&E would report a profit of \$2.47 billion for 2024, breaking last year's record of \$2.24 billion. A regulatory agency that expedites reckless projects while ignoring necessary infrastructure improvements and approves repeated rate increases so an energy company can capture record-profits at the expense of the health and safety of residents and ratepayers is not regulating with public interest in mind.

Source Links:

<https://www.greentechmedia.com/squared/storage-plus/showdown-at-moss-landing>

<https://www.wapa.gov/20-years-of-path-15/>

<https://abc7news.com/post/pge-reports-profit-247b-2024-shattering-records-second-year-row/15904733/>