

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Pursuant to  
Assembly Bill 2514 to Consider the  
Adoption of Procurement Targets for Viable  
and Cost-Effective Energy Storage Systems.

Rulemaking 10-12-007  
(Filed December 16, 2010)

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) ON  
ENERGY STORAGE FRAMEWORK STAFF PROPOSAL**

ALLEN K. TRIAL  
101 Ash Street, HQ-12  
San Diego, California 92101  
Telephone: (619) 699-5162  
Facsimile: (619) 699-5027  
E-mail: [atrial@semprautilities.com](mailto:atrial@semprautilities.com)

Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

February 21, 2012

#264401

SB\_GT&S\_0583395

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Pursuant to  
Assembly Bill 2514 to Consider the  
Adoption of Procurement Targets for Viable  
and Cost-Effective Energy Storage Systems.

Rulemaking 10-12-007  
(Filed December 16, 2010)

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) ON  
ENERGY STORAGE FRAMEWORK STAFF PROPOSAL**

**I. INTRODUCTION**

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”), and the December 14, 2011, *Assigned Commissioner’s Ruling* of Amy C. Yip-Kikugawa (the “Ruling”),<sup>1/</sup> San Diego Gas & Electric (“SDG&E”) respectfully submit the following reply comments in the above-captioned Rulemaking.

On January 31, 2012, SDG&E responded in opening comments concerning attachment A of the Ruling entitled “Energy Storage Framework Staff Proposal” (the “Initial Staff Proposal”).<sup>2/</sup> As discussed more fully below, SDG&E herein reply to address certain issues and approaches raised by the opening comments of the parties.

---

<sup>1/</sup> A copy of the Ruling is available on the Commission’s website at:  
<http://docs.cpuc.ca.gov/efile/RULINGS/124014.pdf>

<sup>2/</sup> Pursuant to the Assigned Commissioner and ALJ Scoping Memo and Ruling (Scoping Memo) issued on May 31, 2011, CPUC Staff served its initial proposal to address energy storage policy considerations on December 12, 2011. The schedule adopted in the Scoping Memo had anticipated an Initial Staff Proposal to be distributed for comment and review on October 11, 2011. However, due to the complexity of issues presented and limitations on staff availability, staff requested and was granted additional time to present its proposal.

## **II. REPLY COMMENTS**

### **1. Regulatory Framework:**

Staff has clearly worked hard to develop a matrix that attempts to outline how barriers to energy storage adoption will be addressed. Unfortunately, on the subject of lack of cost transparency and price signals, staff has only been able to list a number of proceedings that may or may not consider issues related to this important subject, but has not been able to list any proceedings that will actually address this issue. SDG&E suggests that staff and the Commission take the next step of actually creating a forum in which this critical issue can and will be addressed and resolved.

### **2. Cost Effectiveness:**

The CPUC proposes to use the “End Use” framework (see figure 2 of the CPUC staff proposal) to assess cost effectiveness. The majority of parties who filed opening comments commented on the end use framework and provided variations of this approach. SDG&E supports further examination of the end use framework as part of Phase II of the Energy Storage OIR.

While the Commission and parties evaluate the various methods the Commission should allow energy storage projects to move forward, especially those which have already been proposed. Energy storage projects which are able to provide value now should not be delayed by the current proceeding. These projects should continue to be evaluated on their own merits on a case by case basis.

