

**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 Storage Systems

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

MOTION OF LONGVIEW ENERGY EXCHANGE FOR PARTY STATUS

February 21, 2012

Karl F. Kumli, III
CA Reg. No. 102096
Mark D. Detsky
CO Reg. No. 35276
Dietze and Davis, P.C.
2060 Broadway, Suite 400
Boulder, CO 80302
Phone: (303) 447-1375
Fax: (303) 440-9036
Email: mdetsky@dietzedavis.com
karlk@dietzedavis.com

Attorneys for Longview
Energy Exchange

Mitchell M. Wexler, Manager
Longview Energy Exchange
13397 Lakefront Drive
St. Louis, MO 63045

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Pursuant to Rules 1.4 and 11.1 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, Longview Energy Exchange ("Longview") submits this motion for party status in this proceeding.

I. DESCRIPTION OF LEE

Longview is an Arizona limited liability company in good standing. Longview has submitted a Preliminary Permit application to the Federal Energy Regulatory Commission ("FERC") for a license to develop, own and operate a 2000 MW nameplate rating pumped-storage hydroelectric generating facility in the vicinity of Yavapai County, Arizona (the "LEE Project"). The LEE Project is FERC Project No. P-14341.

Longview intends to develop its energy storage LEE Project as both a generation and transmission asset that can provide ancillary services benefits to the regional transmission system. The LEE Project will involve construction of new water storage, water conveyance and generation facilities at off-channel locations where no such facilities exist at this time. The LEE Project will use off-peak energy to pump water from a single lower reservoir to one or two upper reservoirs during periods of low electrical demand. The LEE Project will provide an economical supply of peaking capacity, as well as load following, system regulation through spinning reserve and immediately available standby generating capacity, among other ancillary services.

The LEE Project reservoirs will be “closed loop”, meaning that water in the reservoirs will continuously re-circulate.

Significant public policy goals have been established in California, as well as surrounding states, to reduce greenhouse gas emissions and fuel cost uncertainty associated with thermal generation. Thousands of megawatts of renewable generation capacity are planned to be added to the grid by 2020. Large-scale energy storage is essential for successful integration of variable energy resources while maintaining reliable grid operations. The LEE Project’s location in north-central Arizona is well-situated to firm variable energy generation in Arizona and California and to support the successful implementation of public policy goals. The LEE Project conforms to the benefits outlined in recent papers by both the California Energy Commission and the U.S. Department of Energy on benefits of energy storage technology.

The LEE Project site has the potential to develop up to 2,000 megawatts (MW) of generating capacity using the storage provided at two upper reservoirs that will be interconnected to a lower reservoir by a system of tunnels and penstocks. The Project’s pumped-hydro features can provide specific transmission services, including spinning reserve, non-spinning reserve, voltage and frequency regulation, load following, black-start capability, reactive support and possibly protection against over-generation.

II. LONGVIEW’S INTERESTS IN THIS PROCEEDING

Longview has tangible interests in the nature and extent of regulations implemented pursuant to this proceeding that provide direct market benefits to pumped-storage facilities in recognition of the value of this commercially proven technology to meet the goals of the Assembly Bill 2514. Longview’s interests are specific to pumped-storage hydroelectric facilities and the ability of facilities of this type to assist in meeting California’s energy policy goals.

Having pumped storage locations outside of California will maximize the available resources to the California interconnected transmission system while minimizing adverse environmental effects to both Arizona and California.

III. SERVICE

Service of notices, orders, and other communications and correspondence in this proceeding should be directed to the following persons:

Karl F. Kumli, III
Mark D. Detsky
Dietze and Davis, P.C.
2060 Broadway, Suite 400
Boulder, CO 80302
Phone: (303) 447-1375
Fax: (303) 440-9036
Email: karlk@dietzedavis.com
mdetsky@dietzedavis.com

IV. CONCLUSION

Longview respectfully requests that the Commission grant Longview's motion for party status. Longview's participation in this proceeding will not prejudice any other party to this proceeding or expand the scope of the issues to be considered. Additionally, Longview's involvement can assist the Commission's understanding of issues related to large scale pumped storage development in the southwestern region.

Respectfully submitted this 21st day of February, 2012.

DIETZE AND DAVIS, P.C.

By:

_____/s/_____
Karl F. Kumli, III,
California Atty. Reg. No. 102096
Mark D. Detsky, Colorado Atty. Reg. No. 35276
Attorneys for Longview Energy Exchange

VERIFICATION

(Rule 1.11)

I, Karl F. Kumli, III, am counsel of record for Longview Energy Exchange, and am authorized to make this verification on its behalf. The statements in the foregoing **MOTION OF LONGVIEW ENERGY EXCHANGE FOR PARTY STATUS** are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 21, 2012, in Boulder, Colorado.

Respectfully Submitted,

DIETZE AND DAVIS, P.C.

By: _____/s/_____
Karl F. Kumli, III,
California Atty. Reg. No. 102096
Mark D. Detsky, Colorado Atty. Reg. No. 35276
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Boulder, CO 80302
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Fax: (303) 440-9036
Email: mdetsky@dietzedavis.com
karlk@dietzedavis.com

**ATTORNEYS FOR LONGVIEW ENERGY
EXCHANGE, LLC**