

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)

MOTION OF MARK B. LIVELY SEEKING PARTY STATUS

By this filing pursuant to Rule 1.4(a)(4) of the Commission's rules, I seek party status representing myself in Rulemaking 10-12-007 (Filed December 16, 2010), Order Instituting Rulemaking Pursuant to Assembly Bill 2514 to Consider the Adoption of Procurement Targets for Viable and Cost-Effective Energy Storage Systems. I am a self-employed Professional Engineer registered in the District of Columbia operating under the title of Utility Economic Engineers.

Since writing "Tie Riding Freeloaders --The True Impediment to Transmission Access," *Public Utilities Fortnightly*, 1989 December 21, I have been developing the concepts that would support a competitive market that could be used for energy storage systems, the subject of this proceeding. Unlike most single purpose markets, the concepts in "Tie Riding Freeloaders --The True Impediment to Transmission Access" would set up a market that could include not only energy storage systems but also wind systems and demand side management systems, especially any variations from their scheduled operating levels. I believe that my insights would be valuable to the Commission during its considerations in this proceeding and accordingly seek the Commission's permission to become a party in this proceeding.

In further support of my motion and my ability to contribute to the consideration s in this proceeding, I note that I have a BS in Electrical Engineering from the Massachusetts Institute of Technology and an MS in Management from the Sloan School of the Massachusetts Institute of Technology. I worked for American Electric Power Service Corporation in New York City for five years, including two and a half years in its Rate Department. I worked for the Washington Utility Group of Ernst & Ernst (and its successors Ernst & Whinney and Ernst & Young) for fifteen years. I have been self employed for twenty years. I have testified before state and provincial commissions and have spoken on the topic of competitive markets in New Zealand, Oman, Latvia, and Venezuela. My resume (<http://livelyutility.com/LivelyCV.pdf>) is available at my web page (<http://livelyutility.com/>), as are several of my articles and presentations.

While with the Washington Utility Group of Ernst & Whinney on assignment with the Texas Study Group on Cogeneration, I developed the Committed Unit Basis (CUB) for evaluating the economics of long term contracts that utilities signed with Qualifying Facilities. The Texas Public Utilities Commission (TPUC) then changed its rules on Qualifying Facilities to require utilities in Texas to use the Ernst & Whinney CUB for evaluating whether utility long term contracts with Qualifying Facilities were too expensive relative to a utility's construction alternative. Subsequent to the TPUC action, Houston Lighting & Power signed three ten year cogeneration purchased power contracts for over 1,000 MW. I was dissatisfied with the aspect of the CUB model that did not allow the prices to reflect real time market conditions. My response was to design the real time competitive pricing model described in "Tie Riding Freeloaders--The True Impediment to Transmission Access."

For purposes of the service list in this proceeding, I plan to represent myself and provide the following contact information.

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I will serve these comments on the parties with e-mail addresses on the official service list and will provide a signed paper copy of these comments to the assigned Commissioner and Administrative Law Judge.

Respectfully submitted,

/S/

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