Aloke and Arthur,

We appreciate the opportunity to provide feedback and be involved in the discussions. We have included revised changes to the strawman matrix and provided 3 general comments below.

1. **Application description:** We think the most important initial task is to develop a very clear description of the application and the problem that is being solved. This may include identifying a real world problem to illustrate that problem that is being solved for that specific application.

2. **Cost Benefit components:** It is very easy to overlook parts of a cost-benefit and have confusion with the methodology. We're proposing, as noted in the strawman Application Priorities Matrix, to clearly bucket the benefits, costs, and different alternatives (both energy storage and non-energy storage). In this case we could compare the net benefits or net costs of each alternative to determine cost-effectiveness. Having avoided costs as a benefit muddles the analysis at an early stage and makes it easy to leave out benefits.

	(ES)	(Non-ES)
(or Net costs)		

   For each alternative, we could clearly include the technology cost, size of resource, lifetime, and other resource valuation components as line items under either benefits or costs.

3. **Number of priority applications:** We now have 8 applications. To be more successful, we should focus on the first 5 applications (distribution, VER-sited, & bulk) initially. Transportable will be easier once a method has been established for the distribution and generation. The DSM resources have a long history of cost-effectiveness through DR and SGIP that can be leveraged.

Thanks,

Redacted Jon Eric, Meredith, & the PG&E team