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Subject: RE: Storage Use Case Workshop follow

Thank you all for the effort you have put into drafting the preliminary Energy Storage Use Case documents, and for your participation during the workshop on October 16.

Although we did not have sufficient time to review all of the Use Cases during the workshop, and needed to focus on certain elements in the interests of time, we've since had a chance to look them over more closely, and can more fully appreciate the effort and attention that went into the drafts.

One value heard from several parties is that the standardization of the format has made it easier to make comparisons and to identify overlaps, such that some Use Cases that initially seemed distinctive are really very similar to others.

It also highlighted the importance of really filling out and understanding the Benefits and Barriers sections as a key to organizing the construct in a useful way.

This memo describes the process for continuing the development of Use Cases in smaller designated working groups, as was recommended during the workshop.

There are four such working groups, one for each of the four identified functional scenarios (VER Sited, Bulk Gen, Distribution and Demand-Side/Customer-Side of Meter).

We request those individuals who had previously been identified as coordinators for each Scenario (David Castle-SCE/VER Sited; Daidapya Patwa-PG&E/Bulk Gen; Armando Infanzon-SDG&E/Distribution; and Janice Lin-CESA/Demand Side) to reach out to the authors in the respective groups and collaborate with them to further refine the Use Cases that were presented at the last workshop.

Note that we wish to maintain the VER-sited and Bulk Gen scenarios as separate cases to maintain consistency with the Staff report, rather than combining them into one superset (although they could/should follow a common format/framework in terms of benefit analysis, given that both cases involve participation in the wholesale markets).

The workgroup effort should focus on harmonizing the different Use Cases within a scenario to eliminate overlap/duplication and achieve overall consistency (particularly in benefits/barriers analysis), with the goal of developing a single, consensus comprehensive document per scenario (with the exception of Demand Side scenario, where it may still be necessary to have different specific Use Cases), referred to here as “Master” Use Case.

In the Master Use Case, it may be necessary to separately address sub-applications or technology-specific issues as needed. For example, a table could be used to summarize the benefit differences between the sub-cases. Where possible, the write-ups should attempt to highlight the key points in bullet form, rather than long narrative.

The workgroup activity should include:

- Articulating barriers to storage adoption as specifically as possible and identifying specific policies needed to resolve the barriers;
- Engaging in dialogue to develop a common understanding about specific components in benefit valuation;
- Identifying which benefits from energy storage systems are already valued through market transactions and which are truly not monetized currently;
- Adequately fleshing out the last section (#6), particularly in terms of specific policy recommendations, including a solid rationale to support the recommendations.

In terms of assessing the cost-effectiveness of a Use Case, we expect to provide additional guidance at a later time.

To support the workgroup effort, Staff expects to engage each workgroup individually to provide further guidance on parts of the current Use Cases that could use more work, as well as facilitate the process of reaching consensus as needed.

We anticipate that there may not always be consensus reached on all aspects of the Use Case during the workgroup exercise. Where differences remain, it is acceptable to acknowledge/describe the different viewpoints in the Use Case write-up.

We appreciate your support completing the next phase of Use Case analysis.

Thanks again,

Arthur & Alope

If you have any questions, please contact:

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