

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

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 11-05-005
(Filed May 5, 2011)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON DECISION CONDITIONALLY ACCEPTING 2012 RENEWABLES
PORTFOLIO STANDARD PROCUREMENT PLANS AND INTEGRATED
RESOURCE PLAN OFF-YEAR SUPPLEMENT**

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October 29, 2012

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In accordance with Rule 14.3 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, the California Energy Storage Alliance ("CESA")¹ submits these comments on the *Proposed Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement*, issued October 9, 2012 ("Proposed Decision").

I. INTRODUCTION.

CESA has proposed that the Commission address several key issues related to the relationship between the Renewables Portfolio Standard ("RPS") and energy storage in this proceeding, including: (a) the costs and benefits of employing energy storage systems for integration of RPS-eligible projects in RPS procurement, (b) including energy storage system technologies as a design option in RPS-eligible projects in RPS procurement plans, requests for

¹ The California Energy Storage Alliance consists of A123 Systems, Beacon Power, Bright Energy Storage Technologies, CALMAC, Chevron Energy Solutions, Deeya Energy, East Penn Manufacturing Co., Energy Cache, EnerVault, Fluidic Energy, GE Energy Storage, Green Charge Networks, Greensmith Energy Management Systems, Growing Energy Labs, HDR Engineering, Ice Energy, Innovation Core SEI, Kelvin Storage Technologies, LG Chem, LightSail Energy, Panasonic, Primus Power, Prudent Energy, RedFlow Technologies, RES Americas, Saft America, Samsung SDI, Seo, Sharp Labs of America, Silent Power, SolarCity, Stem, Sumitomo Corporation of America, SunEdison, SunVerge, TAS Energy, UniEnergy Technologies, and Xtreme Power. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. <http://storagealliance.org>

proposals, and bid evaluation factors; and (c) clarifying the definition of ancillary services as included in RPS bid evaluation (“CESA’s RPS Proposals”).² The Proposed Decision summarily rejects CESA’s RPS Proposals based entirely on two faulty premises that that are unsupported by the record and should be corrected. First, the Proposed Decision states that CESA’s “issues” have been “framed” in the Energy Storage Rulemaking (R.10-12-007). This is incorrect. Second, the Proposed Decision states that “CESA’s issues *may* be addressed later in this proceeding as set forth in the October 5, 2012 ACR and September 12, 2012 Amended Scoping Memo. [Emphasis added].” (Proposed Decision, pp. 73), which is also incorrect. If accepted at face value, these two faulty premises would risk CESA’s RPS Proposals being addressed *nowhere*.

II. THE COMMISSION SHOULD ADDRESS CESA’S RPS PROPOSALS RELATED TO INTEGRATION OF ENERGY STORAGE WITH THE RENEWABLES PORTFOLIO STANDARD IN THIS PROCEEDING.

A. CESA’s RPS Proposals Are Not Included Within the Scope of What Will be Determined in the Energy Storage Rulemaking.

The Proposed Decision incorrectly conflates the broadest possible short hand description of the scope of the Energy Storage Rulemaking with what CESA has actually proposed in this proceeding:

“In this decision, we decline to adopt the proposals made by the California Energy Storage Alliance (CESA) regarding energy storage. Energy storage systems may be a viable and cost effective solution to meeting California’s clean energy goals. However, the Commission is exploring this issue in a separate proceeding.” (p. 73).

² *Reply Comments Of The California Energy Storage Alliance on Assigned Commissioner’s Ruling On Renewables Portfolio Standard Procurement Plans And New Proposals*, July 18, 2012.

The very specific RPS procurement-related concepts that make up CESA’s Proposals for consideration in this proceeding are certainly related to, but just as certainly do not represent, what the Proposed Decision refers to as “this issue” – namely a viable and cost effective solution to meeting California’s clean energy goals. Nothing in D.12-08-016³ or the attached *Energy Storage Framework Staff Proposal* can be read as addressing any of CESA’s RPS Proposals.

Further, it is clear that progress on accelerating deployment of energy storage does not rely solely on the Energy Storage Rulemaking. In fact, the *Energy Storage Framework Staff Proposal* highlights the importance of coordinating efforts in key acting proceedings, specifically including this one, with that of the Storage Energy Storage Rulemaking:

“2.8.1 Summary of Party Comments

Parties helped to identify three aspects of today’s energy market and planning and procurement processes where more cost transparency and accurate price signals could help “level the playing field” such that energy storage could be a potential solution to grid operational problems. These areas where cost /price transparency could be improved are: (1) within the CAISO energy and ancillary market design to better reflect the cost of integrating intermittent resources (and the allocation of those costs) and locational value; (2) *within utility procurement planning and contract evaluation process*; and (3) in retail rate design, where the need to balance various objectives within regulatory and legislative constraints can be a challenge to reconcile with the desire to accurately reflect the locational and time of day cost of delivering electrical service. 2.8.2 Proposed Next Steps Energy Storage Framework Staff Proposal (Final). Of the three areas listed, the latter two fall within the CPUC jurisdiction and can be addressed in coordination with other proceedings (see Figure 1: Storage Barriers Regulatory Matrix). (Staff Proposal, pp. 9-10)

Additionally, Figure 1: Storage Regulatory Barriers Matrix outlines the key overlap issues between the Energy Storage Rulemaking and this proceeding, specifically stating, for example, that the RPS Proceeding could . . .

- help influence energy storage needs
- *should consider and allow incorporating integration cost into offer valuation.*” [Emphasis added]. (Staff Proposal, p. 12).

³ *Decision Adopting Proposed Framework for Analyzing Energy Storage Needs*, issued August 2, 2012.

B. CESA’s RPS Proposals are Not Addressed in the Commission’s Prospective Descriptions of the Intended Scope of this Proceeding that Are Cited in the Proposed Decision.

The Proposed Decision incorrectly describes CESA’s RPS Proposals as intended to be addressed by existing guidance already issued by the Commission in two rulings in the record of that are in the record of this proceeding at this time:

“These issues may also be addressed later in this proceeding as described in the September 12, 2012 Amended Scoping Memo and October 5, 2012 ACR.” (Proposed Decision, p. 74).⁴

In fact, nothing in either the September 12, 2012 Amended Scoping Memo or the October 5, 2012 ACR addresses CESA’s RPS Proposals in any way. CESA will, of course, bring these comments and CESA’s RPS Proposals to the attention of the Commission in due course in CESA’s planned comments on the ACR.⁵

III. CONCLUSION.

CESA thanks the Commission for its consideration of these comments and urge that the Commission consider and implement the recommendations discussed herein.

Respectfully submitted,



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October 29, 2012

⁴ The ACR’s sole reference to energy storage addresses a point that is tangential at best to CESA’s RPS Proposals: “A Section titled “Proposed Standards of Review for Amended Contracts” states: “. . . any contract amendments or amended and restated contracts that change the project’s technology (e.g., solar photovoltaic vs. solar thermal) must be re-bid into the next RPS solicitation. This also includes major modifications to existing technology that potentially change the economics of the project, such as the incorporation of storage.” (ACR, pp. 25-26).

⁵ *Second Assigned Commissioner’s Ruling Issuing Procurement Reform Proposals and Establishing a Schedule For Comments on Proposals*, issued October 5, 2012.

VERIFICATION

I, Donald C. Liddell, am counsel for the California Energy Storage Alliance (“CESA”) and am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of Comments of the California Energy Storage Alliance on Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement, filed in R.11-05-005, 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.

Executed on October 29, 2012, at San Diego, California.



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