BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.	Rulemaking 12-03-014 Filed March 12, 2012

RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE TO MEGAWATT STORAGE FARMS MOTION REGARDING THE LOADING ORDER AND STORAGE

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The California Energy Storage Alliance ("CESA")[1] hereby submits this response to the *Megawatt Storage Farms Motion Regarding the Loading Order and Storage*, filed October 5, 2012 ("Motion").

I. INTRODUCTION.

CESA agrees with the principle that energy storage should have a place at the top of the Loading Order along with energy efficiency and demand response. However, CESA disagrees with the Motion because it raises the subject at the wrong way in the wrong place.[2] CESA also objects to the Motion's dismissal of important technologies that are expressly defined as energy storage by AB 2514.

[1] The California Energy Storage Alliance consists of A123 Systems, Beacon Power LLC, Bright Energy Storage Technologies, CALMAC, Chevron Energy Solutions, Deena 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, Kelvin Storage Technologies, LG Chem, LightSail Energy, Panasonic, Primus Power, Prudent Energy, RedFlow Technologies, RES Americas, Saft America, Samsung SDI, Seeo, Sharp Labs of America, Silent Power, Stem, Sumitomo Electric, Sumitomo Corporation of America, SunEdison, SunVerge, TAS Energy, 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

[2] The Motion falls short of meeting the Commission's minimum standards for motions that may be considered under Rule 11.1(d); it requests Commission action that would be outside of the scope of this proceeding; and it fails to recognize that the Commission may not unilaterally alter the Loading Order without concurrence by other necessary parties, including the California Energy Commission.

CESA has recommended, and continues to maintain, that the Commission should seek to clarify the relationship between the existing Loading Order and energy storage resources that perfectly match system needs in the context of both (i) the Local Capacity Requirement ("LCR") and (ii) statewide system requirements at the earliest opportunity *in the proper forum.*[3] CESA has also urged the Commission to clearly signal to stakeholders in this proceeding that energy storage resources should be able to participate in any procurement process undertaken to meet the needs of the grid.

The Motion espouses its own definition of energy storage that is at odds with California law established by AB 2514. Section 2835 of the California Public Utilities Code provides the following definition of an energy storage system:

> "(a) (1) "Energy storage system" means commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy. An "energy storage system" may have any of the characteristics in paragraph (2), shall accomplish one of the purposes in paragraph (3), and shall meet at least one of the characteristics in paragraph (4).
>
> (2) An "energy storage system" may have any of the following characteristics:
>
> (A) Be either centralized or distributed.
>
> (B) Be either owned by a load-serving entity or local publicly owned electric utility, a customer of a load-serving entity or local publicly owned electric utility, or a third party, or is jointly owned by two or more of the above.
>
> (3) An "energy storage system" shall be cost effective and either reduce emissions of greenhouse gases, reduce demand for peak electrical generation, defer or substitute for an investment in generation, transmission, or distribution assets, or improve the reliable operation of the electrical transmission or distribution grid.
>
> (4) An "energy storage system" shall do one or more of the following:
>
> (A) Use mechanical, chemical, or thermal processes to store energy that was generated at one time for use at a later time.

[3] *See*, CESA's Opening Brief, filed on September 22, 2012, p. 2.

(B) Store thermal energy for direct use for heating or cooling at a later time in a manner that avoids the need to use electricity at that later time.

(C) Use mechanical, chemical, or thermal processes to store energy generated from renewable resources for use at a later time.

(D) Use mechanical, chemical, or thermal processes to store energy generated from mechanical processes that would otherwise be wasted for delivery at a later time."

II. CONCLUSION.

The Motion should be summarily denied for all of the reasons set forth herein.

Respectfully submitted,

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