

R.10-12-007 Proposed actions for Energy Storage Proceeding

Status of Proceeding & Recent Actions

- Phase 2 PHC on September 4 and Scoping Memo Oct. 1
- Staff has been holding workshops on Use Case development, introduction to potential cost/benefit analysis tools, and a joint workshop with LTPP on procurement process and defining flexibility characteristics. Work continues on Use Cases and cost/benefit models.
- More workshops scheduled for Dec. 3-4, to finalize Use Cases and discuss the issues below.
- Dec. 20, Staff Report and policy recommendations will be issued for public comment.
- In parallel, Pacific Gas & Electric issued a Request for Information (RFI) from the energy storage community to collect updated information about costs and operating capabilities.

Summary: Based on the workshops and meetings with Parties, Staff is preparing a Phase 2 report that will summarize the Use Case analysis and raise for consideration several policy actions related to storage procurement and regulatory coordination with other proceedings.

Parties will have the opportunity to comment on the preliminary recommendations, which fall into three categories:

- Issues for Consideration and Resolution in the Energy Storage Proceeding (R.10-12-007)
- Recommendations for actions in related proceedings
- Policy recommendations for Longer-Term Roadmap of that involve other Entities' policies

During the December 4 workshop, Parties should be prepared to discuss the pros and cons of, or alternatives to, the following potential recommendations. Formal presentations will not be needed.

A. Issues for Consideration and Resolution in the Energy Storage Proceeding):

Procurement Targets

Based on analysis of resource procurement needs being developed in related proceedings and the operational status of storage technologies that have been identified as most related to the Use Cases being developed for this proceeding, **Staff believes that it not yet appropriate to order a global storage procurement target for Load-Serving Entities (LSEs) to meet by 2015.**

Instead, Staff will recommend that the Commission take full advantage of the directions in AB 2514 Public Utilities Code Section 2836 (a) that, *"The Commission may consider a variety of possible policies to encourage the cost-effective deployment of energy storage systems, including refinement of exiting procurement methods to properly value energy storage systems."*

In line with above, Staff believes it may be appropriate for the Commission to consider designating "supply-side" (that is, generator-equivalent) energy storage as a "preferred resource" in future procurements based on its ability to address various state goals.

With regard to specific LSE procurement of storage, we recommend investigating the potential for authorizing defined Pilot Programs for the following utility-owned or –operated storage applications defined in Use Cases:

- Transmission-connected Bulk Generation storage for flexible and peak capacity in support of renewables integration
- Distributed storage on the Distribution Grid for reliability and deferral of distribution system upgrades, both at substations and feeder level (as in Community Energy Storage application)
- (Possibly—pending further analysis) Utility ownership of behind-the-meter storage for load-shifting and/or Electric Vehicle charging support

As part of Pilot procurements to be determined, the IOUs would prepare comprehensive Pilot Plans, similar to the practice employed in other CPUC proceedings, including A.11-11-017 (PG&E Smart Grid Pilots), and ordered in D.09-09-027 (Energy Efficiency) and D.12-04-045 (Demand Response). Each Pilot Plan would be required to illustrate the following elements:

1. New and innovative program design, concepts or technology that have not yet been tested or employed;
2. A specific statement of the concern, gap, or problem that the pilot seeks to address and the likelihood that the issue can be addressed cost-effectively through utility programs;
3. How the pilot matches the stated goals of AB 2514;
4. Specific objectives and goals for the pilot;
5. A clear budget and timeframe to complete the pilot and obtain results;
6. Information on relevant standards or metrics or a plan to develop a standard against which the pilot outcomes can be measured;
7. Propose methodologies to test the cost effectiveness of the pilot;
8. A concrete strategy to identify and disseminate best practices and lessons learned from the pilot, as well as a schedule and plan to expand the pilot deployment to utility and hopefully statewide usage.

If pilots are authorized, the utilities would be directed to submit a Tier 2 Advice Letter that includes a Pilot Plan as described above for all Energy Storage Procurement pilots no later than 120 days before the start of the pilot solicitation or 60 days following the approval of a final decision in this proceeding.

Non-IOU LSEs (i.e., CCAs, ESPs and DRPs) would be exempted from this ruling in the current proceeding, but may be responsible for storage procurement in subsequent proceedings.

Cost-Effectiveness Methodologies

The Oct. 1 Phase 2 Scoping Memo identified cost-effectiveness methodologies among the issues for resolution. Staff conducted a September 24 workshop and subsequent informational meetings to introduce existing modeling tools (from such entities as EPRI/E3, DNV KEMA and Navigant) that might be appropriate for energy storage analysis.

Staff has concluded that a finding of cost-effectiveness can only be determined based on actual project inputs, or updated cost and operational characteristics as are being collected in the PG&E RFI (which may be available for use in our analysis by March 2013). However, analysis conducted based on hypothetical assumptions, as in the Use Cases, could offer useful guidance in considering policy options and for determining what kind of cost-effectiveness requirements the Commission might prescribe for future utility storage projects or procurements.

Based on input from various parties, Staff feels that the EPRI/E3 “Energy Storage Valuation Tool” (ESVT) tool could be useful in assessing cost-effectiveness of the Use Cases in two scenarios (Bulk Gen and Distribution Storage).

However, the DNV KEMA Energy Storage Select (ES Select) model, when used in combination with other KEMA tools (KERMIT, Storage Distribution Tool and Storage Peaker Tool, in particular) may also provide analytical value for certain Use Cases, or for an assessment of system level impacts of storage resource additions.

Issue No. 1: During the Dec. 4 workshop, Parties should be prepared to discuss the pros and cons of designating “supply-side” (that is, generator-equivalent) energy storage as a “preferred resource” in future procurements.

Issue No. 2: Parties should be prepared to discuss this proposal for authorization of utility pilot programs for energy storage in Bulk Transmission, Distribution Grid and Customer-side of meter applications, how such pilots should be implement. Comments may address scale (in capacity or dollar limits), timing, and aspects of the proposed Pilot Plan elements. Parties may also address whether non-IOU LSEs should be exempted from the Pilot program and/or other procurement policies at this time.

Issue No. 3: Staff seeks a consensus among Parties to this proceeding that both EPRI and DNV KEMA tools should be used to provide illustrative results only for specific Use Cases and support for policy recommendations. Alternatively, Parties may discuss how cost-effectiveness methodologies that have been introduced may be incorporated into the Pilot Procurement Plans described above.

B. Recommendations for actions in related proceedings

Discussion: The Final Staff Proposal adopted by the Phase 1 Decision 12-08-016, identified two major interfaces with other ongoing CPUC proceedings, the Long-Term Procurement Planning (LTPP) and the Resource Adequacy (RA) rulemakings.

“CPUC Staff believes that the creation of a Resource Adequacy value and development of other rules allowing storage providers to participate more effectively in the utilities’ procurement programs will mitigate many of the identified barriers. This effort will need to be coordinated with the California Independent System Operator (CAISO) to encourage policies and define products to enable electric energy storage systems to participate in its markets similar to other generation facilities. In parallel, the CPUC will continue to evaluate electric energy storage to make a determination whether or when an energy storage portfolio standard could be adequate.” (Final Staff Proposal, pp. 3-4)

It is within the purview of the Storage Proceeding to make certain recommendations for the outcome of those discussions that would advance the use and value of Energy Storage in the future.

Defining Flexibility for Resources and for Planning

Among the issues currently before the Commission in the proceedings devoted to resource procurement are how to define and whether to require operational “flexibility” in resources acquired to meet Resource Adequacy (RA), Local Capacity Requirements (LCR) needs, or System Needs. A second “flexibility” matter is how to value flexibility characteristics (either operational or other types, such as “optionality”) of resources, especially storage, in markets and utility procurements.

Staff's position is that the LTPP and RA proceedings are the best forums to address these concerns, and in fact, the recent RA Rulemaking decision specifically stated an intent to do so:

"We will immediately begin the effort to finalize a framework for filling flexible capacity needs in this proceeding.... We will also coordinate our efforts in this proceeding with those in the LTPP proceeding.... The flexible needs framework we expect to adopt in this proceeding could potentially be used for subsequent Request for Offers to fulfill procurement determined in the LTPP proceeding" (D.12-06-025, page 20).

Although the RA proceeding hoped to complete this framework by or near the end of 2012, it is evident at this point that the likely result will be for an interim approach—as recently proposed by IOUs and CAISIO. This interim proposal defines flexibility in terms of a single characteristic – 3 hour ramping capability—which may not sufficiently provide for all of the benefits that storage can offer to the system.

In LTPP –

- 1) Set aside a dynamically adjusted portion of procurement for LCR or System need determination for “preferred” resources, specifically including storage (this could also be referred to as the “portfolio” approach).**

Discussion: In Track 1 of the current LTPP, CAISO analysis and other testimony points to a near-term potential LCR need in Southern California of between 1,000 MW and 2,300 MW. In order to ensure consideration of preferred resources, including energy storage, in meeting this need, Staff on September 7 convened a Joint Workshop for Parties in both the LTPP and Storage proceedings. Subsequent to the workshop an ALJ Ruling in the LTPP solicited comments from Parties in response to the workshop presentations and a series of questions.

A focus of the workshop presentations was to explore the definition and valuation of energy products and resources that can meet Local Capacity Requirements and System Need, including preferred resources such as demand response, and distributed generation, alongside conventional generation.

A point of discussion was whether LCR procurement should be open to all resources, or whether there should be solicitations dedicated to non-fossil resources. Some Parties argued that all-source solicitations are necessarily biased against certain “preferred resources” because the evaluation criteria are often defined in terms that lead to selection of conventional generation resources.

Another major issue of discussion was whether storage should be considered a preferred resource for LCR procurement purposes.

As SCE noted in its September 7 workshop presentation: *“Storage technology has not been specifically identified as a preferred resource, but its operational characteristics warrant consideration as part of “least cost best fit” procurement solutions”* (SCE Presentation, page 13).

Both in the LTPP hearings and at the workshop, SCE proposed a “preferred” procurement strategy. In its comments following the Joint workshop, the utility further explained its preferred approach. This was stated most succinctly as:

“SCE would simultaneously consider non-large scale generation solutions as well as new generation procurement activity. In reviewing non-large scale generation solutions, SCE would

assess the economics and viability of transmission upgrades, energy storage, incremental demand reduction, and distributed generation penetration. Procurement activity could include Assembly Bill (“AB”) 1576 bilateral negotiations or a solicitation for supply-side resources and other resources that can meet the identified LCR need.”

“SCE proposes to consider all of these solutions. SCE would analyze all of them to seek the least-cost best-fit solution(s). If SCE selects non-large scale generation solutions, technical studies must be performed in conjunction with the CAISO to verify that the LCR need is met. SCE could also decide to conduct procurement activity through bilateral negotiations and/or a solicitation” (SCE 5-6).

Many Parties expressed opposition or skepticism about this proposal, arguing that this approach will result only in additional (or retrofit) traditional fossil-fueled generation. There was also concern that the analysis of “other” resources (including storage) would take as long as two years, putting them at a disadvantage in the procurement process.

One possible outcome that could be considered reflects SCE’s interest in a bifurcated approach to procurement; this approach allocates a portion of the eventually identified Track 1 LCR need to fossil resources, while directing the utility to seek preferred resources in a parallel procurement track.

This approach alters SCE’s preferred approach by establishing a specified target for cost-effective preferred resources that can be solicited and studied in parallel with direct negotiations or a conventional generation solicitation, in contrast to the utility’s open-ended “study” of such resources. It would also put more focus on transparency of results, as the Commission might actively direct how a preferred resource solicitation might be structured.

Issue No. 4: Parties should be prepared to discuss the pros and cons of this recommendation to set aside a portion of LCR and System procurement for storage and/or provide alternative means of ensuring that energy storage is fully considered in resource procurement for LCR and System needs in the LTPP.

2) Revise utility bid evaluations to fairly consider preferred resources in an all-source solicitation, including energy storage

In response to post-workshop questions about potential changes to procurement rules or practices, the CESA group proposed a “Model All-Source” structure that it claims “will allow storage technologies to be fairly evaluate in light of their unique resource attributes.” These represent a mix of operational and planning characteristics.

The most salient recommended changes are highlighted as follows (CESA 5-6):

- A. *Eligible resources: “Energy storage” should explicitly be included as a category of resource from which a utility will consider offers. Because even very small storage systems can be easily aggregated and networked from multiple sites, the minimum offer size for including the total capacity of aggregated distributed installations should be 1 MW.*
- B. *Delivery Term: Energy storage projects can be developed and constructed in significantly less time than conventional generation because of reduced siting, permitting, environmental and litigation risks, thus the RFO process should recognize this reduced risk profile and award*

preference accordingly, particularly when commercial online dates can be phased over time to best fit market requirements..

- C. Product Operational Flexibility: Currently, the ability to reduce curtailment of renewable generation is not currently considered in the current IOU RFO's. Energy storage projects have this ability by operating as a load resource when charging. Additionally, the IOUs' preference for dispatchable resources can be met with energy storage due to its capability of ramping to full output in less than a minute while being synchronized and available to respond to dispatch instructions without minimum generation or emission limit constraints. Preference should be stated for dispatchable resources with operational flexibility.*
- D. Market Valuation- Energy, Capacity and Ancillary Services: Current IOU RFOs do not appropriately value energy storage resources that have the potential to offer significant ancillary services due to their vast flexibility range (200% of their rated capacity) , high number of service hours (always synchronized with no minimum generation) and fast ramp rates. For a fair evaluation, it's important that market projections of ancillary service value account for the value delivered, as is being incorporated into the CAISO's tariff through the implementation of FERC Order No. 755.*
- E. Market Valuation- GHG: The operational flexibility of energy storage resources helps in achieving emissions reduction goals by utilizing California's existing fossil fleet much more efficiently and hence should be valued commensurately.*
- F. Market Valuation- Transmission System: RFO bid evaluation should recognize the reduced congestions risk and upgrade costs that energy storage resources can help avoid due to their ability to be sited locally within transmission-constrained areas. Additionally, optimized siting and interconnection of energy storage resources presents the potential to reduce transmission losses and improves overall system efficiency.*
- G. Portfolio Fit: Most IOUs use a system-wide modeling for scenario comparison in their procurement process; hence a similar approach should be considered for resource acquisition, as energy storage resources enhance the overall utility portfolio in several ways, including, for example, improving integration of intermittent renewable resources, enabling incumbent generators to operate more efficiently, reducing transmission system line losses and increasing overall system efficiency and reliability..*

Issue No. 5: Parties should be prepared to discuss the pros and cons of CESA's proposed Model, to suggest how to evaluate such characteristics in an RFO evaluation, or to prove alternatives for consideration.

3) Calculation of Net Qualifying Capacity Value for LCR

In its post-workshop comments, SCE specifically proposed an interim approach for establishing an NQC value for energy storage:

"For purposes of establishing NQC values for LCR procurement analysis for energy storage devices (which currently do not have an established NQC), SCE recommends the following as an interim measure:

- o Energy storage devices with one hour or greater capacity should receive an NQC equal to their maximum sustainable rate of output. For RA purposes, qualifying energy devices should be subject to the maximum cumulative capacity buckets, which restrict how much energy-limited capacity can be used to meet RA requirements.*

- *In order to count for LCR purposes, an energy storage device should have a minimum of three to eight hours of capacity (specific value to be determined in consultation with the CAISO), so it can provide LCR support for the peak load of a likely event.*
- *Energy storage devices with less than one hour of capacity should not have an NQC, since their primary value is in ancillary service markets and/or as frequency response resources.*

“Applying these criteria would allow energy storage to be evaluated in LCR solicitations comparable to conventional generation resources.

“For energy storage and event-triggered DR, SCE proposes an additional screening criterion: A determination of “highest and best use” will be needed to assign LCR value” (SCE 16).

In contrast, CESA disagreed that storage with less than one-hour of capacity should not have NQC valuation. *“A more appropriate NQC value for energy storage with less than one hour capacity would be to use the capacity formula that the CAISO applies under its Regulation Energy Management (“REM”) market for frequency regulation, in which energy storage resources with less than one hour of capacity are allocated MWs of capacity corresponding to their sustained output over 15 minutes” (CESA reply 9).*

CESA also found fault with the proposed three-hour cutoff, as described by SCE, and deemed the “highest and best use” screening as flawed.

Issue No. 6: Parties should be prepared to discuss these proposals or alternatives for calculating NQC for energy storage that would be appropriate for meeting LCR purposes.

4) Stipulate storage-based capacity additions to existing generators as cost-effective and develop a contracting mechanism to facilitate it

The Joint workshop raised the issue of whether there are barriers that inhibit RFO respondents, including storage developers, from offering retrofit/incremental offers, despite the benefits of lower cost and flexibility they might provide. As described by CESA, “facilities currently under contract would be required to re-open/re-negotiate their existing contract in order to be compensated for the increased output from energy storage. This risk is a non-starter for developers of existing projects.”

To overcome this barrier, CESA recommended that the RFO must specifically state that a separate contract will be entered into between the IOU and the bidder for the incremental capacity added through the energy storage investment. This contract would then run in parallel with (or overlay alongside) the facility’s existing contract for power generated by its gas turbine” (CESA 10).

Issue No. 7: Parties should be prepared to discuss this proposal for stipulating cost-effectiveness and a contracting mechanism to accommodate retrofits or added capacity, with specific emphasis on the ability of energy storage to bid incremental/retrofit offers into LCR or System needs RFOs.

In the Resource Adequacy Rulemaking –

1) Calculation of NQC for RA

Discussion: The Final Staff Proposal stated: *“The first important outcome of this rulemaking should be to begin the process of having RA value assigned to energy storage as part of the new RA rulemaking (R.11-10-023), based on the current work in progress in that rulemaking to revise the RA methodology to include operational and performance requirements.”*

Identified as one of the many issues to be addressed in the RA, the recognition of the importance of this keeps coming up.

In the Phase 1 decision in RA proceeding, the issue of a NQC for storage was dealt this way: *“Storage is not called out specifically, but depending on whether it was dispatchable or non-dispatchable, storage would count towards RA obligations under the existing QC methodology”* (D.12-06-025, page 23).

Issue No. 8: Parties should be prepared to discuss whether this is sufficient to address the need for NQC valuation for storage or whether some other explicit policy statement needs to be made. Should a methodology similar to that proposed by SCE be recommended, or should CESA’s proposed alteration be employed?

2) Multi-year contracting for RA resources

The ability to finance and develop any type of resource is critically dependent on its ability to secure long-term off-take commitments. The RA market generally sets requirements on a year-ahead basis. However, flexibility is expected to be a need for the California system for the foreseeable future, and a limitation on contracting with resources capable of providing such flexibility may be a market barrier to deeper storage penetration. Staff is of the opinion that LTPP-driven procurements will naturally lead to long-term contracts sufficient to address financing concerns and that a long-term contracting mechanism in the RA market itself is not appropriate at this time.

Issue No. 9: Parties should be prepared to discuss pros and cons of Staff’s opinion regarding longer-term contract mechanisms for energy storage systems in the RA context.

Self-Generation Incentive Program--

1) Reduce Metering/Interconnection Costs for Storage

The IOUs require that energy storage systems install a separate revenue meter and separate inverters, even if integrated with eligible distributed generation. Although the SGIP Program Administrators have been working with storage developers to find ways to lower metering costs, energy storage is not eligible for NEM at this time, and thus is not entitled to the same exemptions afforded under Public Utilities Code §2827 - including interconnection and application review fees. These costs could pose a significant barrier to the deployment of energy storage projects in SGIP or otherwise.

Issue No. 10: Parties should be prepared to discuss whether the Commission should direct the IOUs to recognize that energy storage is covered by S2827(g), and not require interconnection fees associated with energy storage integrated with net energy metered DG.

(Note: Parties indicate that a settlement of this issue is being worked out between PG&E and certain developers. If such an agreement is reached, the question will be whether it should also apply to the other IOUs).

Rule 21--

Note: As part of the recently approved settlement, Rule 21 has been amended to include energy storage as a resource to make sure that Rule 21 functions effectively for all technology types. There remain, however, some barriers to cost-effective deployment of storage that might be addressed in the ongoing Rule 21 proceeding.

1) Removal of barriers to fast-tracking of storage/PV interconnections

Distributed Generation facilities that otherwise meet all of the Fast Track screens but exceed either the 15 percent of peak load or 100 percent of minimum load screens, are required to pursue a 'detailed review' process under Rule 21. The potential exists for energy storage facilities to be co-located with Distributed Generation (especially PV units) and be operated in a manner that effectively reduces system output so that an otherwise ineligible DG facility could pass the 15 percent of peak load or 100 percent of minimum load screen.

There are no operating parameters or tariff terms within Rule 21 that explicitly lay out how a DG facility that uses an energy storage system can meet the Load screen for the Fast Track process.

Issue No. 11: Parties should be prepared to discuss whether the Storage Proceeding should make a specific recommendation on this matter, or defer any action on this issue to a working group in the Rule 21 proceeding.

2) Define energy storage as an "addition or expansion of renewable energy generation" facilities.

Interconnection policies and tariff treatment for energy storage paired with solar PV continue to represent a barrier to deployment, in that additional costs for metering or the interconnection process proves to be the factor that pushes projects out of viability.

One solution being explored in the context of state law is to interpret the use of energy storage as an "addition or enhancement" to existing renewable electrical generation facilities, under the definition provided by PUC section 25741.

Issue No. 12: By consensus, this action should be considered by the CEC in a revision to its RPS Guidebook definitions. Parties should be prepared to discuss whether the Energy Storage decision should make an affirmative recommendation on this matter to the CEC.

C. Other Policy recommendations for Long-term Roadmap consideration within Storage Proceeding:

- Interpretation of Loading Order to include supply-side and distribution Energy Storage
- Consider Utility ownership incentives or regulatory rate recovery options, including rate-of-return premiums as incentives to encourage utility procurement
- Consider setting application-specific procurement targets for energy storage
- Allow co-existence of market-oriented and ratebased end uses on same asset
- Allow on-bill financing of small storage paired with PV/EV as an incentive for end-user procurement
- Consider storage in Electric Vehicle incentives
- Certification of energy storage systems by CEC
- Encourage the CAISO to change ancillary service market rules to allow storage systems to more easily bid into regulation markets.
- Push development of revised standards in IEEE 1547 and NIST CBO-003-1

Issue No. 13: Parties may comment on the above matters in order to inform Staff for the preparation of recommendations in the Dec. 20 report. At this time, it is Staff's intent to further investigate these issues in more detail subsequent to the issuance of a Final Staff Report for possible inclusion in a longer-term Roadmap for future storage proceedings as called for in AB 2514

Summary of Issues for Consideration:

Issue No. 1: During the Dec. 4 workshop, Parties should be prepared to discuss the pros and cons of designating “supply-side” (that is, generator-equivalent) energy storage as a “preferred resource” in future procurements.

Issue No. 2: Parties should be prepared to discuss this proposal for authorization of utility pilot programs for energy storage in Bulk Transmission, Distribution Grid and Customer-side of meter applications, how such pilots should be implement. Comments may address scale (in capacity or dollar limits), timing, and aspects of the proposed Pilot Plan elements. Parties may also address whether non-IOU LSEs should be exempted from the Pilot program and/or other procurement policies at this time.

Issue No. 3: Staff seeks a consensus among Parties to this proceeding that both EPRI and DNV KEMA tools should continue to be assessed and refined for the purposes of this proceeding, and may be used to provide illustrative results for specific Use Cases and support for policy recommendations. Alternatively, Parties may discuss how cost-effectiveness methodologies that have been introduced may be incorporated into the Pilot Procurement Plans described above.

Issue No. 4: Parties should be prepared of discuss the pros and cons of this recommendation to set aside a portion of LCR and System procurement for storage and/or provide alternative means of ensuring that energy storage is fully considered in procurement for LCR and System needs in the LTPP.

Issue No. 5: Parties should be prepared to discuss the pros and cons of CESA’s proposed Model, to suggest how to evaluate such characteristics in an RFO evaluation, or to provide alternatives.

Issue No. 6: Parties should be prepared to discuss these proposals or alternatives for calculating NQC for energy storage that would be appropriate for meeting LCR purposes.

Issue No. 7: Parties should be prepared to discuss this proposal for a contracting mechanism to accommodate retrofits or added capacity, with specific emphasis on the ability of energy storage to bid incremental/retrofit offers into LCR or System needs RFOs.

Issue No. 8: Parties should be prepared to discuss whether this is sufficient to address the need for NQC valuation for storage or whether some other explicit policy statement be made. Should a methodology similar to that proposed by SCE be recommended, or should CESA’s proposed alteration be employed.

Issue No. 9: Parties should be prepared to discuss the pros and cons of authorizing longer-term contract mechanisms (up to 10 years) for energy storage systems in the RA context.

Issue No. 10: Parties should be prepared to discuss whether the Commission should direct the IOUs to recognize that energy storage is covered by S2827(g), and not require interconnection fees associated with energy storage integrated with net energy metered DG.

Issue No. 11: Parties should be prepared to discuss whether the Storage Proceeding should make a specific recommendation on easing Fast-track screening for energy storage, or defer any action on this issue to a working group in the Rule 21 proceeding.

Issue No. 12: Interpreting PUC code section 25741 to include energy storage as an addition and enhancement of existing should be considered by the CEC in a revision to its RPS Guidebook definitions. Parties should be prepared to discuss whether the Energy Storage decision should make an affirmative recommendation on this matter to the CEC.

Issue No. 13: Parties may comment on matters (listed in Sec. C) or other issues that should be considered for the preparation of recommendations in the Dec. 20 Staff Report. At this time, however, it is Staff's intent to further investigate such issues in more detail subsequent to the issuance of a Final Staff Report for possible inclusion in a longer-term Roadmap for future storage proceedings as called for in AB 2514.