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Bcc:

Subject: Re: Staff Interim Report on Energy Storage Rulemaking R10-12-007 PDF

A few days before I received the forwarded message from Art O'Donnell I received a link to the current issue of the *IAEE Energy Journal* with the article "Dead Battery? Wind Power, the Spot Market, and Hydropower Interaction in the Nordic Electricity Market" by Johannes Mauritzen.

That the hydro resources in Norway and Sweden are serving as a battery for Danish wind excursions is consistent with my argument in this proceeding that there needs to be a competitive market for the imbalances and that having such a competitive market for imbalances will ease the introduction of storage systems in California.

I attach the "Reply Comments Of Mark B. Lively, Utility Economic Engineers, On The Need To Create A Program To Price Imbalances," *Rulemaking 10-12-007: Order Instituting Rulemaking Pursuant To Assembly Bill 2514 To Consider The Adoption Of Procurement Targets For Viable And Cost-Effective Energy Storage Systems*, Public Utilities Commission Of The State Of California, 2012 February 13.

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In a message dated 1/4/2013 6:17:24 P.M. Eastern Standard Time, Arthur.O'Donnell@cpuc.ca.gov writes:

Hello,

Please find attached a PDF of the Energy Division Staff Interim report on Energy Storage, in the Rulemaking R.10-12-007.

The Report, and seven (7) Energy Storage Use Cases described in the report, will also be available on the CPUC web page devoted to electric energy storage:

<http://www.cpuc.ca.gov/PUC/energy/electric/storage.htm>

This report and the Use Cases are open to comment by Parties to the proceeding, as per the October 1, 2012, Phase 2 Scoping Memo.

Because of the delay in issuing the report, Energy Division has requested an ALJ ruling to extend the dates for comment/replies that were specified in the Scoping Memo,

and to allow for Parties to include any comments on the upcoming Staff workshop on procurement options that will be held on January 14, in the CPUC auditorium

(please see Daily Calendar for the official notice—an agenda will be distributed next week).

We are awaiting disposition of that request.

If you have any questions, please contact:

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