

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

Order Instituting Rulemaking Pursuant to Assembly Bill  
2514 to Consider the Adoption of Procurement Targets  
for Viable and Cost-Effective Energy Storage Systems.

Rulemaking 10-12-007  
(Filed December 16, 2010)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS  
ASSOCIATION ON THE PROPOSED DECISION ADOPTING  
ENERGY STORAGE PROCUREMENT FRAMEWORK AND  
DESIGN PROGRAM**

**INDEPENDENT ENERGY PRODUCERS  
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Dated: September 23, 2013

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The Independent Energy Producers Association (IEP) submits the following comments on Proposed Decision (PD) of Commissioner Carla Peterman adopting an energy storage procurement framework and design program, issued on September 3, 2013.

IEP has long supported the development and deployment of energy storage as a product that can address specific needs of the distribution and transmission systems. Energy storage also presents the promise of mitigating the effects of intermittency by storing and deferring the delivery of energy to periods of relatively higher value. IEP members have attempted to deploy energy storage solutions in their operations and, as third-party providers, independent power producers have a keen interest in the developing national energy storage market.

The PD takes a measured approach toward the development and design of a program for an emerging technology. In prior comments, IEP observed that energy storage has an important role in California's energy future and that the benefits from storage will accrue

from the development of cost-effective and viable storage projects. The PD's measured approach to procurement and development of various storage technologies within the proposed Storage Framework helps advance the role of storage in California's electric system.

The PD proposes to exclude pumped storage of 50 MW or larger from participating in the proposed Storage Framework. The PD takes this position in spite of recognizing that "these types of projects offer the same or better potential benefits as all of the emerging storage technologies targeted by [the proposed Storage Framework]."<sup>1</sup>

To the extent that the Commission determines that large pumped storage projects should remain outside of the Storage Framework, the PD should be modified to direct the Energy Division (ED) to investigate the role of pumped storage of 50 MW or more in California's energy mix. Specifically, ED should be directed to convene one or more workshops during the First and Second Quarters of 2014 to assess the role of large pumped storage in California energy markets. Furthermore, ED should be directed to complete a study on this matter by the Fourth Quarter of 2014 at the latest. The purpose of the study would be to assess the potential benefits of large pumped storage projects in the larger context of California's energy markets, reliability needs, and procurement practices.

IEP respectfully requests the Commission to consider these comments as it deliberates on the PD and other aspects of emerging storage technologies.

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<sup>1</sup> PD, p. 33.

Respectfully submitted this 23rd day of September, 2013 at San Francisco, California.

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