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 13-12-010 (Filed December 19, 2013)

OPENING COMMENTS OF SEMPRA U.S. GAS & POWER, LLC ON THE DECEMBER 18, 2013 WORKSHOP MATERIALS

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I. INTRODUCTION

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission" or "CPUC") and Administrative Law Judge ("ALJ") David Gamson's December 19, 2013 email ruling soliciting comments on the December 18, 2013 workshop ("Ruling"), Sempra U.S. Gas & Power, LLC ("Sempra USGP") respectfully submits these comments responding to the questions posed in the *Key Technical Questions for Parties in Response to December 18, 2013 Workshop on Planning Assumptions and Scenarios for use in the CPUC 2014 Long Term Procurement Plan Proceeding and the CAISO 2014-2015 Transmission Planning Process* ("Key Technical Questions") which was attached to the Ruling.

II. COMMENTS

ALJ Gamson provided parties this opportunity to comment on the workshop materials and also to respond to the Key Technical Questions. At this time, Sempra USGP only has comments on questions 4, 6, and 7, but reserves the right to comment on the other questions posed in the future.

Question 4: Is the treatment of energy storage for capacity value reasonable?

The proposed storage capacity of 700MW is the same as the transmission-level storage component authorized by CPUC decision D.13-10-040. Establishing the planned capacity for storage on the basis of project capacity meeting the 4 hour net qualifying capacity definition is reasonable. At present, it is anticipated that the CPUC authorized storage procurement process will result in significant commercial interest. In the event that the storage procurement process does not result in the anticipated capacity addition, planning assumptions can be revisited in future procurement proceedings.

Question 6: How should the capacity value of energy storage, demand response, and demand side resources (PV, CHP) be allocated to small geographic regions and/or busbars and how should the capacity value be adjusted to account for locational and operational characteristics uncertainty?

The effectiveness of storage procurement in meeting system needs will itself be dependent on accurately identifying high value storage locations and characteristics for development. For example, the value of storage is enhanced to the degree it can provide qualifying capacity to help mitigate the retirement of SONGS in the LA basin and San Diego areas. It is noteworthy that the CAISO is in the process of assessing bundles of capacity resources including storage to address these local capacity needs as part of the 2013-2014 transmission planning process. On this basis, it is reasonable to assume that storage implementation will be targeted to these critical areas and meeting critical peak capacity needs.

Question 7: Decision (D.13-10-040) established storage goals for each of three categories – transmission, distribution, and customer-side of the meter, but does not specify the function(s) to be provided. Should storage modeling be focused on deep multi-hour cycling to support operational flexibility or rapid cycling for ancillary services? How should the production profile of each category of storage identified in the CPUC Storage Target Decision be modeled – as a fixed profile or as a dispatchable resource?

Storage operations may be managed to serve the most valuable system needs at the time. During system conditions in which storage is most valuable to serve peak capacity or contingency needs, it may be maintained in readiness at a full state of charge. During

less stressed system conditions, storage may be managed to meet ramping, ancillary services, or temporal energy shifting purposes.

III. CONCLUSION

Sempra USGP appreciates this opportunity to provide feedback on the December 18, 2013 workshop and to respond to the Key Technical Questions.

Respectfully submitted,

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