

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

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program
And Other Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**REPLY COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON THE PROPOSED DECISION ESTABLISHING A TRANSITION PERIOD
PURSUANT TO ASSEMBLY BILL 327 FOR CUSTOMERS
ENROLLED IN NET ENERGY METERING TARIFFS**

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The California Energy Storage Alliance (“CESA”)¹ hereby submits these reply comments pursuant to the *Proposed Decision Establishing a Transition Period Pursuant to Assembly Bill 327 for Customers Enrolled in Net Energy Metering Tariffs*, issued on February 20, 2014 (“Proposed Decision”).

I. INTRODUCTION.

CESA hereby responds to Opening Comments filed by Southern California Edison (“SCE”) and San Diego Gas & Electric Company (“SDG&E”) asserting that the Commission to

¹ The California Energy Storage Alliance (CESA) consists of 1 Energy Systems, A123 Energy Solutions, AES Energy Storage, American Vanadium, Aquion Energy, Beacon Power, Bosch Energy Storage Solutions, Bright Energy Storage, Brookfield Renewable Energy Group, CALMAC, ChargePoint, Clean Energy Systems Inc., CODA Energy, Customized Energy Solutions, DN Tanks, Duke Energy, Eagle Crest Energy, EaglePicher, East Penn Manufacturing Co., Ecoult, EDF Renewable Energy, EnerSys, EnerVault, EVGrid, FAFCO Thermal Storage Systems, FIAMM Group, FIAMM Energy Storage Solutions, Flextronics, Foresight Renewable Systems, GE Energy Storage, Green Charge Networks, Greensmith Energy Management Systems, Gridtential Energy, Halotechnics, Hitachi Chemical Co. America, Hydrogenics, Ice Energy, Imergy Power Systems, ImMODO Energy Services, Innovation Core SEI, Invenergy, K&L Gates LLP, KYOCERA Solar, LightSail Energy, LG Chem Ltd., NextEra Energy Resources, NRG Energy, OCI Company Ltd., OutBack Power Technologies, Panasonic, Parker Hannifin, PDE Total Energy Solutions, Powertree Services, Primus Power, RES Americas, Rosendin Electric, S&C Electric Co., Saft America, Samsung SDI, SeaWave Battery Inc., Sharp Labs of America, Silent Power, SolarCity, Sovereign Energy Storage LLC, Stem, Stoel Rives LLP, Sumitomo Corporation of America, TAS Energy, Tri-Technic, UniEnergy Technologies, Xtreme Power, and Wellhead Electric Co. 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>.

reject the recommendations made by both SCE and SDG&E that the Commission should not extend its proposed transition period for net energy metering (“NEM”) to energy storage devices paired with NEM-eligible generators. The sole justification asserted that pendency of Assigned Commissioner Ruling (“ACR”) on the question of the circumstances under which energy storage devices qualify for service under current NEM tariffs has yet to be resolved should be given no weight at all by the Commission.

II. THE COMMISSION SHOULD REJECT ASSERTIONS BY PARTIES IN OPENING COMMENTS THAT REFERENCES TO ENERGY STORAGE SHOULD BE REMOVED.

The Proposed Decision establishes rules for a transition period during which NEM-eligible generators would be able to continue to take service under existing NEM tariffs before migrating to any new NEM tariff. There is no reason whatsoever to exclude the applicability of the new transition rules to energy storage devices determined by the Commission to be NEM eligible. AB 327 directs the Commission to “establish a transition period during which eligible customer-generators taking service under a net energy metering tariff or contract prior to July 1, 2017, or until the electrical corporation reaches its net energy metering program limit pursuant to subparagraph (B) of paragraph (4) of subdivision (c) of Section 2827, whichever is earlier, shall be eligible to continue service under the previously applicable net energy metering tariff for a length of time to be determined by the commission by March 31, 2014.” This language indicates that clear intent to establish a singular transition period for all NEM eligible generation. SCE and SDG&E essentially ask the Commission to stray from this clear legislative intent and separately litigate the NEM transition period that would apply to storage in the event that storage

is found to be NEM eligible. This is both contrary to statutory intent and will result in additional and needless delay in resolving the narrowly scoped set of issues identified in the ACR.

The ACR addresses the question of whether energy storage is NEM-eligible due in part to the changes last year to the California Energy Commission's RPS Eligibility Guidebook, which identified the circumstances under which energy storage devices are deemed an addition or enhancement to an RPS-eligible generator. The ACR also seeks to address a number of other issues, including metering requirements and costs for storage systems paired with onsite renewable generation and the safety regime to which storage systems are subject. Importantly, all of these issues are entirely discrete from the question of the NEM transition period the Commission is directed to develop pursuant to AB 327.

Contrary to the assertions of SCE and SDG&E, there is zero risk of "prejudgment" of any the issues presented in the ACR. Neither SCE nor SDG&E have even attempted to explain how determinations regarding the transition periods that will apply to all NEM-eligible generators would prejudice any issue being addressed in the ACR. Regardless of what the Commission decides regarding the Proposed Decision and the NEM transition period, the Commission will retain complete discretion to determine that energy storage is or is not NEM-eligible based on the merits of the arguments presented by parties in response to the ACR. Similarly, there is no risk of the instant Proposed Decision encroaching on or prejudging the Commission's deliberations on any of the other issues identified by the ACR.

III. CONCLUSION

CESA thanks the Commission for the opportunity to submit these reply comments, and urges the Commission to expeditiously issue a final decision consistent with the Proposed Decision.

Respectfully submitted,



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