

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

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider Program
Refinements, and Establish Annual Local
Procurement Obligations.

R.11-10-023
Filed October 20, 2011

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON PROPOSED DECISION ADOPTING LOCAL PROCUREMENT AND
FLEXIBLE CAPACITY PROCUREMENT OBLIGATIONS FOR 2015, AND
FURTHER REFINING THE RESOURCE ADEQUACY PROGRAM**

Donald C. Liddell
Douglass & Liddell
2928 2nd Avenue
San Diego, California 92103
Telephone: (619) 993-9096
Facsimile: (619) 296-4662
Email: liddell@energyattorney.com

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE

June 16, 2014

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In accordance with the provisions of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”)¹ hereby submits these comments on the *Proposed Decision Adopting Local Procurement and Flexible Capacity Obligations for 2015, and Further Refining the Resource Adequacy Program* issued on May 27, 2014 (“Proposed Decision”).

I. INTRODUCTION.

CESA applauds and thanks the Commission and its staff for the sustained effort that has gone into preparing the Proposed Decision, and the Qualifying Capacity and Effective Flexible

¹ The California Energy Storage Alliance consists of 1 Energy Systems, A123 Systems, AES Energy Storage, Alton Energy, American Vanadium, Aquion Energy, ARES, North America, Beacon Power, Bosch Energy Storage Solutions, Bright Energy Storage Technologies, Brookfield Renewable Energy Group, CALMAC, ChargePoint, Clean Energy Systems, CODA Energy, Consolidated Edison Development, Customized Energy Solutions, DN Tanks, Duke Energy, Eagle Crest Energy Company, EaglePicher Technologies, East Penn Manufacturing Company, EDF Renewable Energy, EnerSys, EnerVault, EV Grid, FAFCO Thermal Storage Systems, FIAMM Group, FIAMM Energy Storage Solutions, Flextronics, Foresight Renewable Solutions, GE Energy Storage, Green Charge Networks, Greensmith, Gridscape Solutions, Gridtential, Halotechnics, Hitachi Chemical Co., Hydrogenics, Ice Energy, Imergy Power Systems, ImMODO Energy Services Corporation, Innovation Core SEI, Invenergy, K&L Gates, KYOCERA Solar, LG Chem, LightSail Energy, LS Power, Mitsubishi International Corporation, NextEra Energy Resources, NRG, OCI, OutBack Power Technologies, Panasonic, Parker Hannifin, PDE, Powertree, Primus Power, RES Americas, Rosendin Electric, S&C Electric Company, Saft, SeaWave Battery, SEEO, Sharp Labs of America, SolarCity, Sovereign Energy Storage, STEM, Stoel Rives, SunPower, TAS Energy, Tri-Technic, UniEnergy Technologies, and Wellhead. 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>

Capacity Calculation Methodologies for Energy Storage and Supply-Side Demand Response Resources, as revised attached as Exhibit A to the Proposed Decision (“Staff Flexible Capacity Proposal”). CESA is generally pleased with the work to align the methodology in the Staff Flexible Capacity Proposal with the California Independent System Operator’s (“CAISO’s”) Effective Flexible Capacity (“EFC”) and Flexible Resource Adequacy Criteria Must-Offer Obligation (“FRAC-MOO” proposals wherever practical. CESA generally agrees with the methodologies that are discussed in the Staff Flexible Capacity Proposal.

II. SPECIFIC COMMENTS.

A. Non-Generating Resources.

CESA is pleased with the Proposed Decision’s conclusion that non-generator resource (“NGR”) status will not be required for charging capability to qualify for EFC:

“We share some parties’ concern that this tariff may be unduly restrictive, and we are concerned that it does not allow for bi-directional demand response resources. Therefore, we do not adopt a non-generator resource requirement at this time. We do, however, direct Energy Division to work with parties in the coming year to consider whether the non-generator resource tariff is appropriate for all types of storage resources, to pursue any modifications necessary to create an inclusive yet operationally feasible tariff, and to develop an appropriate tariff for bi-directional supply-side demand response.” (p. 33).

CESA certainly agrees that storage resource operators that wish to receive Flexible RA credit for charging capacity need not meet the storage-specific requirements of FRAC-MOO, and will work with the staffs of both the Commission and the CAISO in accordance with the Commission’s clear direction.

B. Unbundling of QC and EFC.

CESA continues to support unbundling of qualifying capacity (“QC”) and effective flexible capacity (“EFC”) as soon as practicable and recommends that the Commission reconsider unbundling of QC and EFC in the 2015 RA compliance year to increase overall RA procurement

efficiency and availability of flexibility in the market. The Commission is clearly aware of the pros and cons:

“While we agree with parties such as TURN that the CAISO proposal is simpler, we nevertheless adopt the staff proposal to use the same PmaxRA for Flexible and System RA, and to limit the positive-generation portion of EFC to the NQC value determined in the CAISO deliverability assessment. This limitation increases complexity, but this complexity appears to be manageable. Further, to adopt unbundling for storage resources only would discriminate against other resource types.” (p. 34). With respect, CESA submits that simplicity should prevail over complexity in weighing the relevant policy factors and the risk of undue discrimination against other energy resources is more academic than real.

C. Regulation Energy Management.

CESA also continues to support the CAISO’s conclusion that Regulation Energy Management (“REM”) resources should qualify as Flexible RA resources and urges the Commission to re-consider permitting REM resources to qualify. CESA appreciates the fact that the Commission is not unalterably opposed to allowing eligibility of REM resources:

“The diversity of perspectives indicates that it may be valuable to revisit the definition of flexibility in the future. However, we find that there is insufficient evidence of reliability impacts to change the current three hour durational requirement for Flexible RA at this juncture.” (p. 33).

CESA will continue to work with the staffs of the Commission and the CAISO the robust record that the Commission requires to include REM resources as soon as practicable.

III. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Proposed Decision.

Respectfully submitted,



Donald C. Liddell
DOUGLASS & LIDDELL

Attorneys for the
CALIFORNIA ENERGY STORAGE ALLIANCE

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