

**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)

**REPLY COMMENTS OF THE SILICON VALLEY LEADERSHIP GROUP ON THE  
ASSIGNED COMMISSIONER'S RULING PROPOSING STORAGE PROCUREMENT  
TARGETS AND MECHANISMS**

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Dated July 19, 2013

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**I. INTRODUCTION:**

In accordance with the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, the Silicon Valley Leadership Group (Leadership Group) submits these reply comments on the *Assigned Commissioner's Ruling Proposing Storage Procurement Targets*, issued by Assigned Commissioner Carla Peterman on June 10, 2013. In general, the Leadership Group encourages the adoption and deployment of smart grid technologies. Grid-supporting energy storage has the potential to add marked benefits to California's electric system by maximizing transmission and distribution, reducing the need for new generation capacity, facilitating renewable integration, improving the system's load factor, and reducing greenhouse gas emissions. As such, we strongly support this initiative.

**II. BACKGROUND:**

The Silicon Valley Leadership Group ("Leadership Group") was founded in 1978 by David Packard of Hewlett-Packard and represents more than 375 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation, education, housing, health care, tax policies, economic vitality and the environment. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley and have more than \$3 trillion in annual revenue. For more information, visit [svlg.org](http://svlg.org).

**III. SVLG COMMENTS ON ENERGY STORAGE TARGETS:**

**A. Please comment on this proposal overall, with emphasis on the proposed procurement targets and design.**

The Leadership Group supports a technology neutral definition of energy storage for the utility procurement targets to ensure a level playing field for each technology to compete in the marketplace. The definition of energy storage referenced in this ruling (Stats. 2010, ch. 469) emphasizes technology neutrality by allowing flexibility in using distributed or centralized storage, providing the option of ownership by various types of parties and permitting several categories of storage processes to qualify to meet targets. We support the technology neutral definition of energy storage in this ruling and encourage the Commission to maintain this definition.

In addition, the Leadership Group encourages the Commission to clarify the criteria by which storage technologies can be selected or be deemed to be suitable for deployment by utilities.

**B. Comment on how the preliminary results of the cost-effectiveness models should be applied to the question of setting procurement targets.**

The Leadership Group supports the requirement that any energy storage regulation should be cost neutral, i.e. not burden ratepayers. Energy storage is important in helping meet California's clean energy goals, but the savings from employing this type of technology must outweigh the costs of meeting the given procurement targets. Many of our member companies are in the clean energy sector. We must ensure that cost neutrality is a central requirement of any targets our companies are required to meet in order to not negatively impact their bottom line and competitiveness in the global marketplace.

**C. Comment on how this proposal may be coordinated with Renewable Portfolio Standard procurement plans, as set out in Public Utilities Code section 2837.**

The Leadership reserves comment on this issue at this time.

**Comment on whether and to what extent utilities should be permitted flexibility in procuring among the use-case "buckets" (transmission, distribution, and customer-sited) of energy storage within one auction, and whether a minimum amount in each "bucket" must be targeted.**

The Leadership Group is of the opinion that there should be, at the least, equality in procurement among the use-case "buckets" given the potential advantages and positive impact of customer-sited storage on the overall grid system by managing challenges at point of initiation (i.e. load).

**D. Comment on how actual operational deployment should be defined for PIER- and EPIC-funded projects potentially eligible to count toward a utility's procurement target.**

The Leadership Group reserves comment on this issue at this time.

**IV. CONCLUSION:**

The Leadership Group appreciates the opportunity to provide reply comments on this ruling. Overall, the Leadership Group supports the objective of transforming the market for storage through the establishment of procurement targets. The Leadership Group also supports the ACR's emphasis on cost-effectiveness and technological neutrality, while encouraging the Commission to clarify the criteria by which storage technologies can be selected or be deemed to be suitable for deployment by utilities. The Leadership Group also strongly urges the design of the targets not impact ratepayers.

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**WHEREFORE**, Silicon Valley Leadership Group respectfully requests the Commission consider the above stated reply comments.

Respectfully submitted,

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