

**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.

R.10-12-007  
(Filed December 16, 2010)

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE  
ASSIGNED COMMISSIONER'S RULING PROPOSING STORAGE  
PROCUREMENT TARGETS AND MECHANISMS**



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July 19, 2013

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE  
ASSIGNED COMMISSIONER'S RULING PROPOSING STORAGE  
PROCUREMENT TARGETS AND MECHANISMS**

Pursuant to the *Assigned Commissioner's Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting* issued in this docket on June 10 (“ACR” or “Ruling”), TURN offers the following reply comments in response to other parties’ comments filed July 3.

**I. General Comments**

TURN has reviewed parties’ opening comments. Based on this review, TURN reaffirms the general and specific positions it took in its opening comments. That is, TURN generally believes it important to facilitate the state’s implementation of new technologies to meet customers’ electricity wants in an environmentally sustainable manner while limiting the overall costs of electricity to customers. To this end, TURN believes the IOUs should have flexibility as to how and when to meet the ACR’s various targets and that evaluations of storage targets and projects’ cost-effectiveness are best done based on “commercially-binding offers submitted by storage providers in response to utility auctions [which] will provide the best information on storage cost-effectiveness”.<sup>1</sup>

**II. Storage Targets Cannot Now be Justified Based on System Reliability Needs**

Speaking in very general terms and over a long-term horizon, TURN can envision storage technologies playing an expanded role in maintaining reliable electric service. Storage should be able to provide firm capacity when needed and likely where needed and should also be of particular help in de-carbonizing California’s electric system by capturing intermittent generation when it is available and releasing such stored energy to meet demand. However, for the next several years, it is entirely unproven that *any* storage is needed to maintain reliable electric service in California. TURN understands that no evidence that storage is or will be needed to meet current or near-term system

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1        TURN Opening Comments, July 3, p. 6.

needs was presented in this docket, or for that matter, that no evidence was presented in this docket that there are any current or near-term system needs of any sort.

Rather, system need analyses are being conducted in other dockets, primarily those related to the Long-Term Procurement Plan (LTPP) and Resource Adequacy (RA).<sup>2</sup> The analysis of resource needs to replace various retired and retiring generators and to integrate renewable resources are currently being conducted in the LTPP docket, but no definitive findings of need have yet been made.<sup>3</sup> Though TURN does not wish to prejudge the LTPP docket, some findings that new resources are needed in Southern California may well occur and storage may meet some of that need.<sup>4</sup> But the notion that installing 4,325 MW of storage by 2020 is “integral to ensuring grid stability and reliability”, as the California Energy Storage Association (CESA) claims, is a flight of fancy.<sup>5</sup> In making its findings in this case, the Commission has no basis for asserting that there is any specific system need to be met by 2020, much less that any particular amounts of storage are necessary to meet such need.

TURN appreciates the opportunity to provide these comments.

Dated: July 19, 2013

Respectfully submitted,

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2 The docket numbers for the current proceedings on these matters are R.12-03-014 and R.11-10-023, respectively.

3 See the May 21 REVISED SCOPING RULING AND MEMO OF THE ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE in R.12-03-014 for the schedule for considering possible resource needs to (a) integrate renewable resources and (b) replace generation from the San Onofre Nuclear Generating Station. This Ruling is available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M065/K202/65202525.PDF>.

4 See the requirement SCE must meet specific local capacity needs with at least 50 MW of storage in D.13-02-015, at Ordering Paragraph 1, pp. 130-131.

5 California Energy Storage Association, Opening Comments, July 3, 2013, p. 3.