

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

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 11-05-005
(Filed May 5, 2011)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON ASSIGNED COMMISSIONER'S RULING ISSUING PROCUREMENT
REFORM PROPOSALS AND ESTABLISHING A SCHEDULE
FOR COMMENTS ON PROPOSALS**

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

November 20, 2012

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The California Energy Storage Alliance (“CESA”)¹ hereby submits these comments on the *Assigned Commissioner’s Ruling Issuing Procurement Reform Proposals and Establishing Schedule for Comments on Proposals*, issued October 5, 2012 (“ACR”). The ACR provided for comments to be filed by November 15, 2012, but by email message addressed to parties November 5, 2012, Administrative Law Judge Anne E. Simon extended the due date for comments to November 20, 2012.

I. INTRODUCTION.

CESA hereby submits the following response to certain of the issues discussed in the ACR. CESA does not comment on all issues raised by the ACR, but reserves the right to expand on these comments in reply comments addressing points raised by parties due on December 12, 2012. CESA has proposed that the Commission address three essential issues key to the relationship between the Renewables Portfolio Standard (“RPS”) and energy storage in this

¹ The California Energy Storage Alliance consists of A123 Systems, Beacon Power, Bright Energy Storage Technologies, CALMAC, Chevron Energy Solutions, Deeya Energy, DN Tanks, East Penn Manufacturing Co., Energy Cache, EnerVault, Fluidic Energy, GE Energy Storage, Green Charge Networks, Greensmith Energy Management Systems, Growing Energy Labs, HDR Engineering, Ice Energy, Innovation Core SEI, Kelvin Storage Technologies, LG Chem, LightSail Energy, Panasonic, Primus Power, Prudent Energy, RedFlow Technologies, RES Americas, Saft America, Samsung SDI, Seeo, Sharp Labs of America, Silent Power, SolarCity, Stem, Sumitomo Corporation of America, SunEdison, SunVerge, TAS Energy, UniEnergy Technologies, and Xtreme Power. 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>

proceeding, including: (a) the costs and benefits of employing energy storage systems for integration of RPS-eligible projects in RPS procurement, (b) including energy storage system technologies as a design option in RPS-eligible projects in RPS procurement plans, requests for proposals, and bid evaluation factors; and (c) clarifying the definition of ancillary services as included in RPS bid evaluation (“CESA’s RPS Proposals”).² The Commission’s very recent decision accepting 2012 RPS Plans (D.12-11-016)³ summarily rejects CESA’s RPS Proposals.⁴ D.12-11-016 incorrectly states: “CESA’s issues may be addressed later in this proceeding as set forth in the October 5, 2012 ACR and September 12, 2012 Amended Scoping Memo. (p. 73). CESA submits that, at a minimum, its RPS Proposals should be considered by the Commission as they relate to ACR Section 5.1 - Implementation of New Least-Cost Best-Fit Requirements.

II. THE COMMISSION SHOULD IMMEDIATELY ADDRESS CESA’S PROPOSALS FOR INTEGRATION OF ENERGY STORAGE WITH RPS-ELIGIBLE ENERGY RESOURCES.

The *Energy Storage Framework Staff Proposal* highlights the importance of coordinating efforts in key active Commission proceedings, specifically including this one, with that of the Storage Energy Storage Rulemaking. Figure 1: Storage Regulatory Barriers Matrix outlines the key overlap issues between the Energy Storage Rulemaking and this proceeding, specifically stating that “the RPS Proceeding could help influence energy storage needs and the Commission *should consider and allow incorporating integration cost into offer valuation.*” [Emphasis added]. (Staff Proposal, p. 12). This is clearly consistent with ACR Section 5.1, and Public Utilities Code Section 399.13(a)(4)(i) “This process shall take into account all of the following: (i.) Estimates of indirect costs associated with needed transmission investments and ongoing

² See, *Reply Comments Of The California Energy Storage Alliance on Assigned Commissioner’s Ruling On Renewables Portfolio Standard Procurement Plans And New Proposals*, July 18, 2012.

³ *Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement*, issued November 8, 2012.

⁴ See, *Comments of the California Energy Storage Alliance on Decision Conditionally Accepting 2012 Renewables Portfolio Standard Plans and Integrated Resource Plan Off-Year Supplement*, filed October 29, 2012.

electrical corporation expenses resulting from integrating and operating eligible renewable energy resources. (ACR, p. 37).

D.12-11-016 incorrectly describes CESA's RPS Proposals as intended to be addressed by existing guidance included in the ACR: "These issues may also be addressed later in this proceeding as described in the September 12, 2012 Amended Scoping Memo and October 5, 2012 ACR." (Proposed Decision, p. 74). In fact, neither the September 12, 2012 Amended Scoping Memo or the ACR address CESA's RPS Proposals. The only reference to energy storage in the ACR is that ". . . any contract amendments or amended and restated contracts that change the project's technology (e.g., solar photovoltaic vs. solar thermal) must be re-bid into the next RPS solicitation. This also includes major modifications to existing technology that potentially change the economics of the project, such as the incorporation of storage." (ACR, pp. 25-26). CESA submits that energy storage should demonstrably be considered in relation to ACR Question Number 28: "What additional topics, if any, should be part of the LCBF process?" (ACR, p. 38).

III. CONCLUSION.

CESA thanks the Commission for its consideration of these comments.

Respectfully submitted,



Donald C. Liddell
DOUGLASS & LIDDELL

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE

November 20, 2012

VERIFICATION

I, Donald Liddell, am counsel for the California Energy Storage Alliance and am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of Comments of the California Energy Storage Alliance on Assigned Commissioner's Ruling Issuing Procurement Reform Proposals and Establishing a Schedule for Comments on Proposals, filed in R.11-05-005, are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

Executed on November 20, 2012, at San Diego, California.



Donald C. Liddell
DOUGLASS & LIDDELL

Counsel for the
CALIFORNIA ENERGY STORAGE ALLIANCE