

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



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Application of Southern California Edison Company (U 338-E) for Approval of Demand Response Programs, Goals and Budgets for 2009- 2011.

A.08-06-001
(Filed June 2, 2008)

Application of San Diego Gas & Electric Company (U 902 M) for Approval of Demand Response Programs and Budgets for Years 2009 through 2011.

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Application of Pacific Gas And Electric Company (U 39-E) for Approval of 2009-2011 Demand Response Programs and Budgets.

A.08-06-003
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**OPENING COMMENTS OF THE CALIFORNIA ENERGY STORAGE
ALLIANCE ON PROPOSED DECISION OF ALJ HECHT**

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July 20, 2009

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Pursuant to Rule 14.3 of the California Public Utilities Commission’s (“Commission’s”) Rules of Practice and Procedure, the California Energy Storage Alliance (“CESA”)¹ hereby submits these comments in response to Administrative Law Judge Jessica T. Hecht’s *Proposed Decision Adopting Demand Response Activities and Budgets for 2009 through 2011* mailed on June 30, 2009 (“Proposed Decision”).

CESA supports the Proposed Decision’s emphasis on the demand response benefits of energy storage and peak load management technologies such as Permanent Load Shifting (“PLS”). CESA also supports the definition of PLS that the Commission uses in the Proposed Decision:

“The phrase ‘permanent load shifting’ refers to the shifting of energy usage by one or more customers from one-time period to another on a recurring basis. Permanent load shifting often involves storing electricity produced during off peak hours and then using the stored energy to support load during periods when

¹ The California Energy Storage Alliance consists of A123, Beacon Power Corporation, Chevron Energy Solutions, Debenham Energy, Fluidic Energy Inc., Ice Energy, Inc., PVT Solar, StrateGen Consulting VRB Energy, Xtremepower, and ZBB Energy Corporation.

peak energy use is typically high. Examples of permanent load shifting technologies include battery storage and thermal energy storage. Thermal energy storage draws electricity during off-peak hours, which it stores in the form of thermal energy in ice, chilled water or a eutectic salt solution. That stored energy can be used during peak hours, generally to cool buildings without drawing additional electricity from the power grid during the day.” (Proposed Decision, p. 151).

Not coincidentally, the Commission’s definition of PLS fits perfectly with the definition of “electric storage” adopted by the Federal Energy Regulatory Commission (“FERC”):

“For the purposes of this Policy Statement, electric storage refers to the storage of different forms of energy that may be beneficial to the bulk-power system. For example, while pumped hydroelectric storage refers to the potential energy stored in a reservoir of water, it is the conversion of that energy to electricity by a water turbine generator that makes it useful. Similarly, a flywheel stores kinetic energy to spin a generator, and batteries convert chemical energy directly into electricity. Moreover, there are useful applications for stored energy (for example, thermal energy) that is not converted into electricity, but can substitute for electrical power by providing an end use.” (Policy, p. 46).²

Accordingly, CESA recommends that the Commission *immediately* order the utilities to submit applications, outside of this proceeding, to allow them to issue requests for proposals to solicit competitive proposals for all forms of energy storage projects and any ownership model. CESA therefore asks the Commission to adopt the following modifications to the Proposed Decision’s Findings of Fact, Conclusions of Law, and Ordering paragraphs set forth in the Proposed Decision:³

1. [p. 213] Amendment to Conclusion of Law Number 20:

It is reasonable to defer decisions on the best method for expanding the availability of permanent load shifting until more information is available, **and to direct the utilities to issue requests for proposals within 90 days of the date of this decision for all forms of energy storage projects.**

² *Smart Grid Policy*, issued by the FERC, July 16, 2009 (128 FERC ¶61, 060).

³ Additions are shown in bold. The page number reference in brackets is to the page on which the original Conclusion of Law Number 20 appears in the Proposed Decision. The proposed added Ordering Paragraph should be given the next number in order that relates to Conclusion of Law Number 20

2. Added Ordering Paragraph:

Each of the utilities shall issue requests for proposals within 90 days of this decision for all forms of energy storage projects.

CESA appreciates this opportunity to comment on the Proposed Decision, and recommends that the Commission adopt the Proposed Decision, subject to the modification of the Conclusions of Law, and Ordering Paragraphs set forth in these comments.

Respectfully submitted,



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DOUGLASS & LIDDELL

Counsel for
ICE ENERGY, INC.

Date: July 20, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of *Opening Comments of California Energy Storage Alliance* on all parties of record in proceedings *A.08-06-001, A.08-06-002 and A.08-06-003* by serving an electronic copy on their email addresses of record and by mailing a properly addressed copy by first-class mail with postage prepaid to each party for whom an email address is not available.

Executed on July 20, 2009, at Woodland Hills, California.



Michelle Dangott

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