

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



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Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006
Filed May 6, 2010

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON RESOURCE PLANNING ASSUMPTIONS**

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June 21, 2010

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Pursuant to the *Initial Ruling on Procurement Planning Standards and Setting Schedule for Comments and Workshops* issued by Administrative Law Judge Victoria S. Kolakowski on May 28, 2010 (“Initial Ruling”), the California Energy Storage Alliance (“CESA”)¹ provides the following comments.

I. INTRODUCTION.

The purpose of these comments is to highlight, and urge the Commission to explicitly include deployment of energy storage technology as a “guiding principle” for utility resource plans. One of the five policy guiding principles, or policy objectives recommended in the *Energy Division Proposal: Planning Standards for System Resource Plans* (“Planning Standards”) ² is: “Resource plans should consider whether substantial new investment in transmission and flexible resources such as dispatchable generation or *energy storage* would be needed to reliably integrate and deliver new resources to loads.” [Emphasis added]. (Planning Standards, p. 2). CESA submits that the deployment of reliable and cost-effective energy storage technology *must* be recognized as a critical element of utility resource planning in the Commission’s decisions in this proceeding and in the procurement plans of California’s energy utilities.

¹ The California Energy Storage Alliance consists of A123 Systems, Altairnano, Applied Energy Capital, Beacon Power, Chevron Energy Solutions, Debenham Energy, Deeya Energy, East Penn International, Enersys, Enervault, Fluidic Energy, Ice Energy, International Battery, Powergetis, Prudent Energy, PVT Solar, Samsung SDI, SEEO, Suntech, SustainX, Xtreme Power and ZBB Energy Corporation. The views expressed in these Opening Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. <http://www.storagealliance.org/>

² Attachment 2 to the Initial Ruling.

II. THE COMMISSION SHOULD TAKE THE OPPORTUNITY PRESENTED BY THIS PROCEEDING TO EMPHASIZE THE GAME CHANGING IMPORTANCE OF ENERGY STORAGE IN THE PROCUREMENT PLANS OF CALIFORNIA' ENERGY UTILITIES.

The Energy Division has appropriately included consideration of energy storage as a “guiding principle” for resource plans in the Planning Standards.³ It is therefore vital that the Commission: (i) confirm that energy storage is clearly within the scope of this proceeding, (ii) determine that energy storage is a resource that *must* be addressed by parties in all three of the tracks described in the Initial Ruling, and (iii) include energy storage as part of the Commission’s policy agenda wherever energy system resources may be considered in any of its proceedings. The Order Instituting Rulemaking (“OIR”) in this proceeding defined the scoping standard as follows: “Any procurement-related issue(s) not already considered in other procurement-related dockets in Table 1 below [pp. 16-17] may be considered, subject to the following conditions. The issue(s) must: (1) materially impact procurement policies, practices and/or procedures; (2) be narrowly defined; and (3) demonstrate consistency with one or more of the LTPP proceeding goals set forth in R.08-02-007.” (OIR, p. 16). CESA submits that energy storage is not listed among the proceedings identified in Table 1, and all three of the conditions established by the Commission for inclusion in the scope of this proceeding are all satisfied.⁴

The subject of energy storage has certainly not been addressed in any substantive way in any of the procurement-related dockets identified in Table 1 referred to in the OIR. The fact that the Energy Division’s staff have expressly included it’s consideration as a *guiding principle* in the Planning Standards should answer the question of whether or not energy storage will have a material impact on utility resource procurement. The issue of whether or not energy storage should be part of long-term procurement planning is narrowly defined as whether or not it would be needed to integrate the various elements of the electric system. Finally, energy storage squarely impacts goal number five set forth in the Order Instituting Rulemaking in R.08-02-007, namely to: “Serve as the forum for comparing resource alternatives against each other, in terms of uniform criteria such as cost, risk, reliability, and environmental impact, in order to optimize California’s electric resource portfolio.” (OIR.08-02-007, p. 7).

³ The PowerPoint presentation slides used by the Energy Division at the workshop held on June 11, 2010, regarding LTPP Standards (Part 1) refers obscurely to energy storage under the rubric of “flexible resources” (Slide 7).

III. CONCLUSION.

CESA appreciates this opportunity to begin focusing the attention of the parties and the Commission on the urgent need to rank energy storage as a guiding principle in the Commission's resource planning process.

Respectfully submitted,



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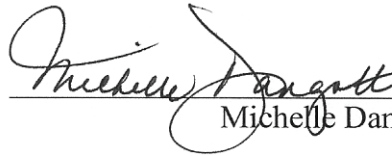
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June 21, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing *Comments of the California Energy Storage Alliance on Resource Planning Assumptions* on all parties of record in *R.10-05-006* by serving an electronic copy on their email addresses of record and, for those parties without an email address of record, by mailing a properly addressed copy by first-class mail with postage prepaid to each party on the Commission's official service list for this proceeding.

This Certificate of Service is executed on June 21, 2010, at Woodland Hills, California.



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