

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar Initiative,
the Self-Generation Incentive Program and Other
Distributed Generation Issues.

RULEMAKING 08-03-008
(Filed March 13, 2008)

**Reply Comments of the California Center for Sustainable Energy and the
California Energy Storage Alliance regarding the Proposed Decision
Modifying Decision 08-11-044 revising the Technical Parameters for
Advanced Energy Storage Systems Coupled with Fuel Cells**

California Center for Sustainable Energy
California Energy Storage Alliance

February 8, 2010

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I. INTRODUCTION

The California Center for Sustainable Energy (CCSE) and the California Energy Storage Alliance (CESA)¹ (together, the “Joint Petitioners”) welcome the opportunity to offer these Reply Comments regarding the *Proposed Decision Modifying Decision 08-11-044 revising the Technical Parameters for Advanced Energy Storage Systems Coupled with Fuel Cells* (Proposed Decision). The Joint Petitioners are also pleased to see the support of other parties for the Proposed Decision. CESA has authorized the undersigned to sign these Reply Comments on its behalf, and the Joint Petitioners provide the following limited reply comments:

¹ The California Energy Alliance is an advocacy group made up of renewable energy developers and system integrators and energy storage system manufacturers presently comprised, of A123 Systems, Altair Nanotechnologies, Beacon Power Corporation, Chevron Energy Solutions, Debenham Energy LLC, Deeya Energy, Energy Alchemy LLC, Enersys, Fluidic Energy Inc., Ice Energy Inc., Powergetics, Prudent Energy, PVT Solar, Suntech America, Inc., SustainX, Xtreme Power Solutions, and ZBB Energy Corporation. The views attributed to CESA in these Comments are those of CESA, and they do not necessarily represent the views of each CESA member company on every specific point.

II. THE DEVELOPMENT OF SPECIFIC PROTOCOLS TO GOVERN THE NEW METERING, MONITORING, AND REPORTING REQUIREMENTS FOR AES PARTICIPANTS, AS SUGGESTED BY DRA, WOULD BE A POSITIVE ADDITION TO THE SGIP, BUT THE PROTOCOL DEVELOPMENT PROCESS SHOULD NOT DELAY OR HALT AES PROJECTS.

The Division of Ratepayer Advocates (DRA) has suggested that the Proposed Decision be modified “to require the Commission to establish specific protocols to govern the new metering, monitoring, and reporting requirements for [Advanced Energy Storage (AES)] participants.”² The Joint Petitioners believe that the development of specific protocols to govern the new metering, monitoring, and reporting requirements for AES participants will be beneficial to the Self-Generation Incentive Program (SGIP) and program participants. These protocols will provide the clear direction needed for ease of implementation, administration, participation and accountability toward meeting program goals. Further, the protocol development process should also take into consideration the new metering, monitoring, and reporting requirements of all new eligible technologies, not just AES.

We note, however, that the protocol development process could have an unintended consequence of delaying, or even potentially halting, AES and other eligible technology projects, as there may be a belief that the protocols need to be in place prior to the processing of these applications. This could be devastating, not only to participants, but to the SGIP as well. Distributed AES projects coupled with wind or fuel cells have been under development for many months, since the SGIP Handbook was revised and released to the public on May 8, 2009. The Commission should not require that these protocols be in place prior to the processing of AES applications, as this will have a detrimental ‘chilling effect’ on project development.

Accordingly, the Joint Petitioners encourage the Commission to ensure that inclusion of any language in the Final Decision state that development of protocols to govern the metering, monitoring, and reporting requirements for AES participants shall not constitute cause to delay or halt processing of new applications for AES projects. In other words, it should be made clear that

² *Division of Ratepayer Advocates’ Comments on the Proposed Decision of Commissioner Peevey Modifying Decision 08-11-044 Revising the Technical Parameters for Advanced Energy Storage Systems Coupled with Fuel Cells*, February 1, 2010, page 3.

AES project applications should continue to be processed and approved, as appropriate under then existing SGIP Guidelines, during any protocol development process.

III. CONCLUSION

The Joint Petitioners thank the Commission for its consideration of their Amended Petition for Modification of D.08-11-044 and for granting the relief requested therein. We very much appreciate the opportunity to provide these Reply Comments in response to the Proposed Decision.

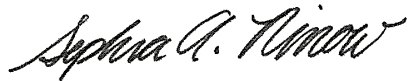
A handwritten signature in black ink, appearing to read "Joseph Andrew McAllister", with a horizontal line extending from the end of the name.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of these *Reply Comments of the California Center for Sustainable Energy and the California Energy Storage Alliance regarding the Proposed Decision Modifying Decision 08-11-044 revising the Technical Parameters for Advanced Energy Storage Systems Coupled with Fuel Cells* on all known parties of record in proceeding R.08-03-008 by delivering a copy via email to the current service list or by delivering a copy via U.S. First Class mail to those members of the current service list with no or undeliverable email addresses.

Executed on February 8, 2010, in San Diego, CA.



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