

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

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

Rulemaking 10-05-006
Filed May 6, 2010

**POST-WORKSHOP COMMENTS OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE IN RESPONSE TO
ADMINISTRATIVE LAW JUDGE'S RULING REGARDING PLANNING
ASSUMPTIONS AND MODELING ISSUES**

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January 14, 2011

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Pursuant to the California Public Utilities Commission’s (“Commission’s”) Rules of Practice and Procedure and the *Administrative Law Judge’s Ruling Requesting Post-Workshop Comments, Updating Standardized Planning Assumptions, and providing Lawrence Berkeley National Laboratory Report on Modeling Issues* issued by Administrative Law Judge Peter Allen on December 23, 2010 (“ALJ’s Ruling”), the California Energy Storage Alliance (“CESA”)¹ provides the following post-workshop comments.

In its comments filed thus far in this proceeding,² CESA has emphasized that it plans to work collaboratively with the Commission and parties to this proceeding to expeditiously advance implementation of the energy storage policy recommendations in the “White Paper” published by the Commission on July 9, 2010,³ and enactment of AB 2514 (Skinner)⁴. These

¹ The California Energy Storage Alliance consists of A123 Systems, Altairnano, Applied Intellectual Capital, Beacon Power Corporation, Chevron Energy Solutions, Debenham Energy, Deeya Energy, East Penn Manufacturing Co., Inc., Enersys, Enervault, Fluidic Energy, General Compression, Greensmith Energy Management Systems, HDR, Inc., Ice Energy, International Battery, Inc., Lightsail Energy, Inc., MMEC/SunEdison, Powergetics, Primus Power, , Prudent Energy, ReStore Energy Systems, SA, Samsung SDI, Silent Power, Suntech, Sunverge, SustainX, 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://www.storagealliance.org>.

² *Comments on Resource Planning Assumptions*, filed July 9, 2010; *Reply Comments on Resource Planning Assumptions*, filed July, 16, 2010; *Post-Workshop Comments on Renewable Integration Modeling Methodology*, filed September 21, 2010; *Reply Comments on Renewable Integration Modeling Methodology*, filed October 8, 2010.

³ *Electric Energy Storage: An Assessment of Potential Barriers and Opportunities, Commission Policy and Planning Division White Paper*, July 9, 2010

⁴ California Statutes, Chapter 469, September 29, 2010.

comments reaffirm CESA's commitment, and are further informed by the Commission's issuance of the anticipated proceeding dedicated exclusively to energy storage in December 2010 ("Energy Storage OIR").⁵ In these comments, CESA respectfully reserves its response to the specific post-workshop questions posed in Appendix A to the ALJ's Ruling at this time; comments very briefly on the Standardized Planning Assumptions contained in Appendix B to the ALJ's Ruling; and registers its strong disagreement for the record with the very limited mention of energy storage in the draft report attached to the ALJ's Ruling as Appendix C ("Draft Report")⁶.

CESA defers to others at this time in responding to the questions posed in Appendix A, but reserves to right to respond as appropriate as the proceeding progresses. CESA is on record in this proceeding as opposed to deferring consideration of energy storage until a later phase, and does not repeat that criticism here.⁷ However, for the record, CESA must express significant concern with the phrase in the following passage in the Draft Report that CESA emphasizes in italics as it is presently stated:

"Even with improved forecasting, broad balancing, and mechanisms to access flexibility in existing generation, integration of significant amounts of additional variable generation may likely require additional flexibility. Additional recommendations from the wind integration literature focus on increasing the flexibility of the generation that is added. New generation with shorter start-up times, faster ramp rates, and lower minimum generation limits will increase the reliability of systems that have significant wind penetration. Demand response and bulk energy storage (particularly from pumped hydro facilities) are also seen as ways to help manage the increased demand for flexibility, but *the overall technical feasibility and economic merit of these resources are much less understood compared to solutions based on improving the conventional power system.* [Emphasis added]" (Draft Report, p. 42).

Reference to unattributed sources such as "wind integration literature" can be greatly improved in the final version of the Report by citation to the specific sources alluded to in a very large body of literature that , as presently written, stand as a completely unsupported statement.

⁵ *Order Instituting Rulemaking Pursuant to Assembly Bill 2514 to Consider the Adoption of Procurement Targets for Viable and Cost-Effective Energy Storage Systems*, issued December 16, 2010.

⁶ *Draft: Review of PG&E's Renewable Integration Model and CAISO 33% RPS Analysis*, December 21, 2010.

⁷ Appendix A states: "In the current 'Phase 1' round of integration studies, Step 2 simulates any additional flexibility-providing measures as consisting solely of new simple and/or combined cycle gas turbines. However, it is planned that subsequent phase(s) of integration studies will evaluate other measures for providing flexibility, such as storage, demand response, and enhanced controls on wind and solar generation." (Appendix A, p. 1). Comments expressing CESA's contrary view are listed in footnote 2, *infra*.

As the Commission specifically focuses on storage as a key near-term potential solution to the “additional system flexibility that is needed to integrate significant additional amounts of variable generation”, it will find ample sources of credible third party information supporting energy storage’s technical feasibility and economic merit – including numerous reports published by the California Energy Commission and the California Independent System Operator. CESA is compelled to express this caution for the record at this point, and looks forward to further discussion of this critically important factual proposition in this context and in the Energy Storage OIR.⁸

CESA thanks the Commission for this opportunity to submit these post-workshop comments, and looks forward to continuing a constructive dialogue with parties and the Commission.

Respectfully submitted,



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⁸ “By January 21, 2011, parties shall file comments that will identify the facts and issues of laws that they believe to be relevant to this proceeding’s scope as guided by the directions and comments in this OIR and staff’s white paper.” (Energy Storage OIR, p. 5).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of *Post-Workshop Comments of the California Energy Storage Alliance in Response to Administrative Law Judge's Ruling Regarding Planning Assumptions and Modeling Issues* on all parties of record in proceeding *R.10-05-006* 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 January 14, 2011, at Woodland Hills, California.



Michelle Dangott

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