

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

Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development, of California Renewables
Portfolio Standard Program.

Rulemaking 15-02-020
(Filed February 26, 2015)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE
ON ORDER INSTITUTING RULEMAKING TO CONTINUE IMPLEMENTATION
AND ADMINISTRATION, AND CONSIDER FURTHER DEVELOPMENT, OF
CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM**

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The California Energy Storage Alliance (“CESA”)¹ hereby submits these comments on the *Order Instituting Rulemaking To Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program*, issued February 26, 2015 (“OIR”).

¹ The California Energy Storage Alliance consists of 1 Energy Systems Inc., Advanced Microgrid Solutions, AES Energy Storage, Alton Energy, American Vanadium, Amperex Technology Limited, Aquion Energy, ARES North America, Beacon Power, LLC, Bosch Energy Storage Solutions Company LLC, Bright Energy Storage Technologies, Brookfield, CALMAC, Chargepoint, Clean Energy Systems, Coda Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, DN Tanks, Duke Energy, Eagle Crest Energy Company, EaglePicher Technologies, LLC, East Penn Manufacturing Company, Ecoult, EDF Renewable Energy, Enersys, EnerVault Corporation, EV Grid, FAFCO Thermal Storage Systems, FIAMM Energy Storage Solutions, Flextronics, Foresight Renewable Solutions, GE Energy Storage, Green Charge Networks, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., Halotechnics, Hitachi Chemical Co., Hydrogenics, Ice Energy, Imergy Power Systems, ImMODO Energy Services Corporation, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, K&L Gates, KYOCERA Solar, Inc., LG Chem, LightSail Energy, LS Power Development, LLC, Mitsubishi International Corporation, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OCI, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, PDE Total Energy Solutions, Powertree Services Inc., Primus Power Corporation, Recurrent Energy, Renewable Energy Systems Americas Inc., Rosendin Electric, S&C Electric Company, Saft America Inc., Samsung, SEEO, Sharp Electronics Corporation, SolarCity, Sony Corporation of America, Sovereign Energy, STEM, Stoel Rives LLP, SunEdison, SunPower, TAS Energy, Toshiba International Corporation, Trimark Associates, Inc., Tri-Technic, UniEnergy Technologies, LLC, and Wellhead Electric. 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>.

I. INTRODUCTION.

CESA appreciates the opportunity to provide comments regarding issues related to the California renewable portfolio standard (“RPS”). CESA commends the Commission’s consideration of the relationship of the RPS and California’s greenhouse gas (“GHG”) reduction goals. CESA does not comment on all issues raised by the OIR, but reserves the right to expand on these comments in reply comments addressing points raised by parties.

II. UTILITIES SHOULD TAKE INTO FULL ACCOUNT ALL OF THE BENEFITS OF ENERGY STORAGE IN THE PROCUREMENT PROCESSES FOR RPS-ELIGIBLE GENERATION FACILITIES.

A. Greenhouse Gas Reduction, T&D Upgrade Deferral, Frequency Regulation, Peak Load Shifting, Spinning And Non-Spinning Reserves Should All Be Considered In Such Processes.

Public Utilities (“P.U.”) Code Section 399.14 requires utilities to select RPS-eligible projects in procurement based on the value to the utility and its ratepayers. The law also requires the Commission to consider estimates of indirect costs associated with the project, including new transmission investments and ongoing utility expenses resulting from integrating and operating renewable energy resources. CESA urges the Commission to explore a much-needed expansion of these considerations to include new benefits that RPS-eligible resources integrated or paired with energy storage can solve as well as (if not better than) competing fossil fuel resources.

As discussed in the Commission’s energy storage rulemaking proceeding,² energy storage assets can play an important role in grid resiliency as well as facilitating the state’s GHG emission mitigation efforts. These and all other identified services should be fully accounted for at each step of the Commission’s RPS procurement processes. One way to enhance consideration would be explicit modeling of system benefits, including GHG benefits, of higher

² R.10-12-007. CESA notes that a successor energy storage rulemaking proceeding is on the Commissions calendar for approval this month.

penetration of renewable energy with energy storage; and also to support calculation of system-level benefits pursuant to the “Highest Net Value” (“HNV”) methodology.

B. Least-Cost, Best-Fit Analysis Specific To Treatment Of Storage Should Be Addressed In Detail By The Commission In This Proceeding As Soon As Possible.

CESA recognizes that least-cost, best-fit (“LCBF”) reform is within the scope of the Commission’s RPS program revisions this year. CESA will need to, and certainly will, work closely with the Commission and the Commission’s staff in that context because current LCBF analysis was created before energy storage was part of the discussion and therefore omits a number of benefits that energy storage will bring to create additional value from existing RPS-eligible generation capacity. This topic should also be addressed proactively in the workshop to be scheduled as the next step in the cost containment focused stage of this proceeding.

One idea for a revised methodology could be a HNV. This would include development of a project selection methodology that explicitly values the higher value of renewable energy projects that are sited, firm, shaped or dispatched with energy storage and would build on the locational findings derived from the Commission’s distributed resource planning proceeding.³ New tools need to be sophisticated enough to capture real value, so CESA strongly supports the Commission’s scope reform. CESA notes that CAISO NQC calculation and GIDAP deliverability study processes will also need to be coordinated with this effort.

C. Consideration Of Portfolio Optimization

This proceeding should consider portfolio optimization methods to ensure that higher penetration renewable portfolios are considered and implemented for highest value, and best net benefits to California ratepayers. The current linear process of first studying load, then studying

³ *Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distributed Resource Plans Pursuant to Public Utilities Code Section 769*, R.14-08-013, filed August 14, 2014.

generation, then studying transmission to support both is suboptimal from the standpoint of general portfolio optimization, transmission impacts and the tremendous role energy storage can play in optimizing the portfolio – especially in light of the broader movement towards a bi-directional grid framework.

III. CONCLUSION.

CESA thanks the Commission for its consideration of these comments.

Respectfully submitted,



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