

California Energy Storage Alliance (CESA)

2855 Telegraph Avenue, Suite 310, Berkeley, CA 94705

New address as of May 1, 2009:

David Brower Center 2150 Allston Way, Suite 210, Berkeley, CA 94704

April 16, 2009

Mike Gravely
Manager, Energy Systems Research Office
California Energy Commission
Dockets Office, MS-4
RE: Docket No. 09-IEP-1G
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Docket number 09-IEP-1G "2009 IEPR – Energy Storage Technologies"

Dear Mike:

Thank you for the opportunity to participate in the April 2, 2009 Workshop: Energy Storage Technologies and Policies Needed to Support California's Renewable Portfolio Standard (RPS) Goals of 2020. In addition to our panel presentation, the CA Energy Storage Alliance (CESA) would like to submit the following prioritized policy recommendations for the CEC to consider for its next IEPR update: (Please note, these recommendations were prioritized based on ability to create near-term market impact)

1. Increase PIER funding for demonstrations of advanced energy storage in different cross cutting applications in the market -- to demonstrate capture of multiple value streams in various applications and business models
 - Energy storage with renewables (distributed and wholesale)
 - Energy storage integrated with onsite renewables and demand response
 - Energy storage integrated with all of above plus emergency backup applications -- to help achieve highly reliable islanded loads with no onsite emissions
2. Expand commercial incentives for distributed energy storage -- via the CA Self Generation Incentive Program (SGIP)
 - Standalone energy storage
 - Energy storage coupled with solar
3. Develop and implement energy policy that encourages peak load reduction.
Examples:

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- Tariff design that appropriately values the cost of generating and delivering energy on peak
 - 3:1 multiplier benefit for renewables delivered on peak
 - Peak reduction standard for CA state energy purchases
 - Increased rate of return for utility investment in energy storage
4. Help create industry standards to assist with market deployment of energy storage – including, for example:
- Standard quoting/sizing/costing/performance parameters, similar to what the CEC has done for photovoltaics
 - Standards for interconnection
 - Standards and protocols for dispatch
 - Standards for environmental siting/permitting that different local city and county governments can use as a framework for grid connected energy storage applications
5. Explicitly add energy storage as a key enabling technology to help achieve the goals of the loading order – energy storage can be used to help achieve CA's Demand Response and Renewable Energy goals

As always, please do not hesitate to contact us if you would like to discuss any of these suggestions further. (jlin@strategen.com telephone: 415-595-8301)

Kind regards,

Janice Lin

On behalf of CESA members:

- A123
- Chevron Energy Solutions
- Fluidic Energy
- Ice Energy
- StrateGen Consulting
- XtremePower Solutions
- ZBB Energy

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