

**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)

**PREHEARING CONFERENCE STATEMENT OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE**

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April 15, 2015

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Pursuant to the *Revised E-Mail Ruling Setting Prehearing Conference*, issued by Administrative Law Judge Robert M. Mason III on April 3, 2015 (“ALJ’s Ruling”), the California Energy Storage Alliance (“CESA”)¹ hereby submits this Prehearing Conference Statement.

I. INTRODUCTION.

CESA’s provides the following response to the direction in the ALJ’s Ruling that parties should address the following question: “What are the five issues that you think should have the

¹ 1 Energy Systems Inc., Abengoa, Advanced Microgrid Solutions, AES Energy Storage, Aquion Energy, ARES North America, Brookfield, Chargepoint, Clean Energy Systems, CODA Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Duke Energy, Dynapower Company, LLC, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, ELSYS Inc., Energy Storage Systems, Inc., Enersys, EnerVault Corporation, Enphase ENERGY, EV Grid, Flextronics, GE Energy Storage, Green Charge Networks, Greensmith Energy, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, IMERGY Power Systems, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, K&L Gates, LG Chem Power, Inc., LightSail Energy, Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Manatt, Phelps & Phillips, LLP, Mitsubishi Corporation (Americas), Mobile Solar, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, Powertree Services Inc., Primus Power Corporation, Princeton Power Systems, Recurrent Energy, Renewable Energy Systems Americas Inc., Rosendin Electric, S&C Electric Company, Saft America Inc., Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Sony Corporation of America, Sovereign Energy, STEM, SunEdison, SunPower, Toshiba International Corporation, Trimark Associates, Inc., Tri-Technic, Wellhead Electric.

highest priority in this proceeding?” CESA notes that it has identified five priority issues in its Comments on the Order Instituting Rulemaking (OIR”) for this proceeding, and has not changed its ranking after reviewing the Comments of other parties.

II. CESA’ PRIORITY ISSUES.

The priority issues that CESA has previously identified in its Comments, all of which are ranked with equal weight at this time, are as follows:

1. The Commission should require utilities to take into full account all of the benefits of energy storage, including system benefits, in the procurement process for RPS-eligible generation facilities.

Consideration of indirect benefits of energy storage is required by Public Utilities Code Section 399.14. These indirect benefits should specifically include integration benefits of energy storage.

2. Greenhouse gas reduction, T&D upgrade deferral, frequency regulation, peak load shifting, and spinning and non-spinning reserves are benefits of energy storage, and should all be considered by utilities and the Commission in the procurement process for RPS-eligible generation facilities.

It should be recognized that the RPS program has not included energy storage to date. This important fact should be the topic of robust discussion in workshops.

3. Calculation of system benefits of energy storage in the procurement process for RPS-Eligible generation facilities should be conducted pursuant to the “Highest Net Value” (HNV”) methodology described in the OIR.

Along with other benefits mentioned above, locational benefits are key system benefits of energy storage, and should be the subject of robust discussion in workshops. This effort will

need to be closely coordinated with the California Independent System Operator's ongoing related stakeholder processes and initiatives.

4. Least-cost best fit analysis specific to treatment of energy storage in procurement of RPS-eligible generation facilities should be addressed in detail by the Commission in this proceeding as soon as possible.

It should go without saying that time is of the essence for the Commission's decision making regarding energy storage in this proceeding. There appears to be emerging stakeholder consensus that substantial deployment of energy storage, along with potential system export policies, will be a precondition of achievement of California's RPS-related goals.

5. This proceeding should consider utility resource portfolio optimization, including both fossil and RPS-eligible generation facilities that specifically include energy storage.

CESA strongly advocates for balance consideration of both existing and proposed fossil and RPS eligible generation facilities in utility procurement planning .A utility generation asset portfolio cannot we considered prudently balanced without including energy storage.

III. CONCLUSION.

CESA thanks the Commission for the opportunity to submit this Prehearing Conference Statement, and looks forward to active participation with parties and the Commission in this proceeding.

Respectfully submitted,



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