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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Pursuant to
Assembly Bill 2514 to Consider the
Adoption of Procurement Targets for Viable
and Cost-Effective Energy Storage Systems.

Rulemaking 10-12-007
(Filed December 16, 2010)

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER
AND ADMINISTRATIVE LAW JUDGE**

1. Summary

This Scoping Memo and Ruling (Scoping Memo) identifies the issues to be considered in Phase 2 of this proceeding and sets a procedural schedule.

2. Background

On December 16, 2010, the Commission opened Rulemaking (R.) 10-12-007 to implement the provisions of Assembly Bill (AB) 2514 (Stats. 2010, ch. 469). AB 2514 directs the Commission to determine appropriate targets, if any, for each load-serving entity (LSE) as defined by Pub. Util. Code § 380(j) to procure viable and cost-effective energy storage systems (ESS) and sets dates for any targets deemed appropriate to be achieved.¹ Although AB 2514 directs the Commission to open such a proceeding by March 1, 2012 (§ 2836(a)), the Commission chose to open it sooner, explaining that it “see[s] the enactment of AB 2514 as an important opportunity for this Commission to continue its rational

¹ Unless otherwise stated, all statutory references are to the Public Utilities Code.

implementation of advanced sustainable energy technologies and the integration of intermittent resources in our electricity grid.”²

In a Scoping Memo and Ruling issued on May 31, 2011, the assigned Commissioner and Administrative Law Judge (ALJ) determined that the proceeding should be resolved in two phases. The first phase would develop the overall policies and guidelines for ESS, including where and how ESS could be deployed to provide maximum benefits to the electric system. The second phase would develop the costs and benefits for ESS and establish how they should be allocated.

On August 6, 2012, the Commission issued Decision (D.) 12-08-016 which adopted the Energy Storage Framework Staff Proposal (Staff Proposal) of Commission Staff. The Staff Proposal contained a framework to analyze energy storage and identified 20 “end uses.” These end uses were then combined into four basic “scenarios” for further analysis. These basic scenarios are: generator-sited storage, bulk “generation,” distributed storage and demand-side management.³ D.12-08-016 initiated a second phase of this proceeding to analyze the priority scenarios contained in the Staff Proposal.

A prehearing conference (PHC) was held on September 4, 2012. Prior to the PHC, Energy Division Staff conducted a workshop on August 20, 2012, with interested parties to discuss the priority scenarios and identify any disputed material issues of fact that would require evidentiary hearings.

² Order Instituting Rulemaking (OIR) at 1.

³ Energy Division Staff has indicated that these basic scenarios may be further divided to address specific subsets within the scenarios.

3. Scope, Schedule, and Need for Hearings

Based on discussion at the August 20 workshop and the PHC, Phase 2 of this proceeding shall consider the following for each of the use cases identified in the Staff Proposal:

1. Cost effectiveness
2. Market Needs
3. Barriers
4. Ownership model
5. Procurement target, if necessary

In evaluating the various scenarios, there shall also be consideration of activities in other proceedings, such as Resource Adequacy, Long-Term Procurement Planning, and Renewables Portfolio Standard,⁴ so that there is a consistent and coordinated overall policy with respect to procurement of energy storage and how it is counted for resource adequacy purposes. Finally, as discussed in D.12-08-016, the adopted Energy Storage Framework shall be revised and refined, as needed, to reflect the ongoing analysis of this resource.

Based on discussion at the PHC, it appears that Phase 2 could be resolved through workshops and the filing of briefs and evidentiary hearings may not be needed. However, parties have asked that hearing dates be included in the schedule of the proceeding in the event hearings are necessary. The schedule adopted below sets aside dates for serving testimony and holding evidentiary hearings. It also sets a date by which a party must request that evidentiary

⁴ See R.11-10-023 (Resource Adequacy), R.12-03-014 (Long-Term Procurement Planning) and R.11-05-005 (Renewables Portfolio Standard Program).

hearings be held. As part of its request, the party shall specifically identify the disputed material facts that that require evidentiary hearings.

Event	Date
Prehearing Conference	September 4, 2012
Workshops and Working Group Meetings	To be determined by Energy Division Staff
Report on Use Cases	December 20, 2012
Comments on Report	January 25, 2013
Reply Comments on Report	February 5, 2013
Final Day to Request Evidentiary Hearings	February 5, 2013
Concurrent Prepared Testimony Served (if Evidentiary Hearings requested)	April 5, 2013
Concurrent Rebuttal Testimony Served (if Evidentiary Hearings requested)	April 26, 2013
Evidentiary Hearings (if requested)	June 17 – 21, 2013, at 10:00 a.m. Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102
ALJ Proposed Decision (PD)	September 2013
Initial Comments on PD	20 days after PD
Reply Comments on PD	5 days after Comments
Final Decision	October 2013

The assigned Commissioner or ALJ may modify the schedule as necessary. In any event, we anticipate Phase 2 will be resolved within

18 months from the date of this Scoping Memo, pursuant to the requirements of Pub. Util. Code § 1701.5.

4. Categorization, Designation of Presiding Officers, and *Ex Parte* Communications

In the OIR, the Commission preliminarily categorized this matter as quasi-legislative. The May 31, 2011 Scoping Memo confirmed this categorization for Phase 1. The categorization remains the same for Phase 2 and Rule 8.3 applies with respect to *ex parte* communications.

Commissioner Michael R. Peevey remains as the assigned Commissioner and designates ALJ Amy Yip-Kikugawa as the Presiding Officer.

5. Intervenor Compensation

A party who intends to seek an award of compensation pursuant to §§ 1801-1812 should file and serve a notice of intent to claim compensation no later than 30 days after the September 4, 2012 prehearing conference.⁵ Parties who have already filed a notice of intent for Phase 1 of this proceeding do not need to file another one for Phase 2. Under the Commission's Rules, future opportunities may arise for such filings but such an opportunity is not guaranteed.

In this proceeding, parties intending to seek an award of intervenor compensation must maintain daily record keeping for all hours charged and a sufficient description for each time entry. Sufficient means more detail than just "review correspondence" or "research" or "attend meeting." In addition,

⁵ § 1804(a)(1).

intervenors must classify time by issue. When submitting requests for compensation, the hourly data should be presented in an Excel spreadsheet.

As reflected in the provisions set forth in Pub. Util. Code § 1801.3(f) and § 1802.5, all parties seeking an award of intervenor compensation must coordinate their analysis and presentation with other parties to avoid duplication.

6. Filing, Service, and Service List

The official service list was created at the September 4, 2012 prehearing conference and is now on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the judge. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's web site meets that definition.

Electronic service is now the standard under Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded that, when serving copies of documents, the document format must be consistent with the requirements set forth in Rule 1.10(a).

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Other documents, including prepared testimony, are served on the service list but not filed with the Docket Office. We will follow the electronic service protocols adopted by the Commission in Rule 1.10, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by United States mail. Additionally, parties shall serve paper copies of all filings on the presiding officer.

7. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

IT IS RULED that:

1. The timetable for the proceeding is as set forth in Section 3 of this ruling.
2. The issues to be considered are those described in Section 3 of this ruling.

Dated October 1, 2012, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

/s/ AMY C. YIP-KIKUGAWA

Amy C. Yip-Kikugawa
Administrative Law Judge