



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

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Second Application of Pacific Gas and
Electric Company for Approval of
Agreements Resulting from Its 2014-2015
Energy Storage Solicitation and Related
Cost Recovery (U39E)

A.16-04-024
(Filed April 29, 2016)

**STEM, INC. OPENING COMMENTS ON PROPOSED DECISION REJECTING
ENERGY STORAGE AGREEMENT**

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Dated: November 10, 2016

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Pursuant to California Public Utilities Commission (“Commission”) Rules of Practice and Procedure 14.3, Stem, Inc. (“Stem”) hereby submits its opening comments on the *Proposed Decision Rejecting Energy Storage Agreement*, dated October 21, 2016 (“Proposed Decision” or “PD”).

I. INTRODUCTION

The PD must be rejected. It is legally insufficient, it is factually incorrect, it contravenes the policy of this State, and it impedes the development of behind-the-meter (BTM) storage at a time when it is critically needed.

The PD is legally insufficient because it fails to meet the minimum standards governing decisions, as it is bereft of any findings of fact or conclusions of law related to key areas of the proceeding and fails to explain its conclusion that the Agreement¹ between Stem and PG&E is not “cost-effective.” Clear statutes govern the content of proposed decisions and the

¹ *Behind-the-Retail-Meter Energy Storage Resource Adequacy Agreement between Pacific Gas and Electric Company (as “Buyer”) and Stem Energy Northern California, LLC (as “Seller”)*, under which Stem will provide PG&E with four (4) megawatts (“MW”) of resource adequacy (“RA”) and flexible RA on a monthly basis. See Exh. PG&E-1, *Pacific Gas and Electric Company Results of 2014 Energy Storage Solicitation Second Prepared Testimony, Public Version*, dated April 29, 2016 (“Testimony”), p. 1. The Agreement is the only BTM agreement signed by PG&E through its energy storage program and the only one that provides RA related to customer load reduction. *Id.* at p. 3-1

California Supreme Court requires reasoned decisions. This PD utterly fails to meet those standards.

The PD is factually incorrect because the Commission failed to review the Agreement properly for cost-effectiveness. A proper review would have compared the Agreement to other BTM projects, rather than to energy storage projects generally, and would have considered the multiple benefits of the Agreement.

In addition, the PD directly contravenes the policy of this State by impeding the growth of BTM storage just when it is most needed.

If the Commission adopts this fatally flawed PD, this Agreement would be the third PG&E energy storage contract that the Commission has rejected in less than a year on the basis of an overly narrow, opaque cost-effectiveness determination. Rather than encouraging the development of an energy storage market, the Commission would be undermining it by sending a discouraging signal counter to the procurement of BTM storage resources. If the Commission is committed to implementing State policy in this area, it must look beyond metrics that are insufficient and step forward, as it did with renewables ten years ago, to ensure that the BTM storage sector can compete fairly.

II. THE PD IS LEGALLY INSUFFICIENT AND MUST BE REJECTED

The PD must be rejected because it is insufficient as a matter of law. This is far more than a procedural issue: the legal deficiencies in this PD have affected the outcome of the proceeding. The Public Utilities Code requires decisions to “contain, separately stated, findings of fact and conclusions of law by the commission on all issues material to the order or decision.”² In *California Manufacturer’s Association v. Public Utilities Commission*, among other cases, the Supreme Court held:

Findings are essential to afford a rational basis for judicial review and assist the reviewing court to ascertain the principles relied upon by the [C]ommission and to determine whether it acted arbitrarily, as well as assist

² Pub. Util. Code § 1705.

parties to know why the case was lost and to prepare for rehearing or review, assist others planning activities involving similar questions, and serve to help the [C]ommission avoid careless or arbitrary action.³

In *California Motor Transport Company v. Public Utilities Commission*,⁴ for example, the Commission issued a common carrier a certificate of public convenience and necessity that would have extended its operating authority. In granting the certificate, the only finding the Commission made was the ultimate one of public convenience and necessity.⁵ In annulling the order, the Supreme Court held that the Commission's failure to *separately state its findings and conclusions upon the material issues of fact and law that determined the ultimate issue* of public convenience and necessity was fatal.⁶ As the Court explained, “The ultimate finding of public convenience and necessity is so general that without more, a reviewing court can only guess at how it was reached.”⁷

Like the order in *California Motor Transport Company*, this PD fails to make *any findings at all* on key issues in the proceeding that would conclusively lead to a finding that the contract *is* cost-effective. And, as in *California Motor Transport Company*, the PD abruptly contains one summary conclusion—here, that the Agreement is not cost-effective—and fails to explain the basis for it.

A. The PD Does Not Contain Any Findings of Fact or Conclusions of Law on Key Issues

The PD is fatally flawed because it fails to contain findings or conclusions on the key issues in the proceeding. These issues are material, because if they were decided in Stem’s

³ *Cal. Mfrs. Ass’n v. Pub. Utils. Comm’n*, (1979) 24 Cal. 3d 251, 258-259; *See also, Greyhound Lines, Inc. v. Pub. Utils. Comm’n*, (1976) 65 Cal. 2d 811, 813; *Cal. Motor Transp. Co. v. Pub. Utils. Comm’n*, (1963) 59 Cal. 2d 270, 274-275.

⁴ *Cal. Motor Transp. Co. v. Pub. Utils. Comm’n*, *supra*, 59 Cal. 2d 270, 271.

⁵ *Id.* at 271.

⁶ *Id.* at 270.

⁷ *Id.* at 274.

and PG&E's favor they would warrant a different outcome. The Scoping Memo stated that the proceeding would address a number of issues, including:

1. Was the solicitation conducted in a fair and competitive manner?
2. In selecting winners, did PG&E apply the evaluation methodologies approved in D.14-10-045 correctly?
3. Were any deviations from pro forma contracts approved in D.14-10-045 warranted?
4. Are the prices, terms, and conditions resulting from the solicitations reasonable?⁸

Although the PD promises to address these issues “together” with the issue of whether the contract should be approved, the PD contains minimal discussion and *no findings of fact, conclusions of law or ordering paragraphs on any of these key issues*. Thus, there are no findings or conclusions as to whether the solicitation was conducted in a fair and competitive manner, whether the methodologies were applied correctly, whether any deviations from pro forma were warranted, or whether the prices and terms resulting from the solicitation were reasonable.

Requiring the PD to address these issues is not the mere glorification of form over substance. These material issues tie directly into whether the Agreement was reasonably priced and cost-effective. Although Stem does not have access to the key data underlying PG&E's determination to choose this Agreement, we do know that PG&E chose it from the 200 offers (with 700 variations) from 50 participants that submitted bids.⁹ We also know that PG&E went back to all the BTM offers and asked them to bid a second time. Stem's offer was selected from this group.¹⁰ If the PD had found that PG&E had conducted the solicitation fairly and

⁸ *Scoping Memo And Ruling of Assigned Commissioner and Administrative Law Judge*, filed July 25, 2016 (“Scoping Memo”), p. 3.

⁹ PG&E Exh. 1, Testimony, p. 2-4; Proposed Decision, p. 3.

¹⁰ PG&E Exh. 1, Testimony, p. 2-6; Proposed Decision, p. 4.

implemented its evaluation methodologies correctly, and that PG&E had provided a reasonably robust pool of BTM developers two opportunities to bid, then the only logical conclusion is that PG&E had fairly assessed the Northern California “market” of BTM offers. If Stem’s project, the best project to emerge out of this BTM market, ranked numerically low on PG&E’s evaluation metrics, yet no others ranked better, then the necessary conclusion is that the quantitative metrics alone may not be working for BTM projects and those projects must be evaluated more holistically, with due attention to the other benefits that they bring.

It is thus imperative that the final decision address the key issues that the Commission set out to tackle in this proceeding, which provide the basis for a determination that the project ultimately chosen, with all of its unique benefits and attributes, was indeed cost-effective, as that term is properly understood. In any event, the lack of any findings or conclusions on key issues in the proceeding makes the PD deficient as a matter of law.

B. The PD Fails to Provide any Basis for its Finding that the Contract Is Not Cost-Effective

The PD contains, as its primary finding, a simple, single statement that the contract is not cost-effective.¹¹ There is no explanation in either the text of the decision, the findings of fact or the conclusions of law as to the reasoning behind or the basis for this conclusion.¹² Is this key finding based on ORA’s arguments, which are referenced,¹³ or on some other ground? The PD does not say.

If the PD is relying on ORA’s arguments for its conclusion, that reliance is misplaced. While ORA believes the contract failed the NMV and PAV screens, it also contended that the contract “was not competitive compared to other offers outside of the behind-the-meter sector.”¹⁴ ORA’s arguments were based in part on its comparison of where the Agreement fell on

¹¹ Proposed Decision, p. 9, Findings of Fact ¶ 1.

¹² Proposed Decision, p. 6.

¹³ Proposed Decision, p. 4.

¹⁴ Proposed Decision, pp. 4-5.

PG&E's shortlist of the top eight contracts in all categories that were ultimately selected for PG&E's final consideration.¹⁵ This is a flawed comparison: the shortlist is the collection of the best contracts of the 700 possibilities, and all of the contracts on the shortlist are ones that should presumably have been approved. Additionally, ORA ignored the distinctions between the categories of energy storage contracts that were solicited. This Agreement cannot fairly be compared with transmission- or distribution-connected projects, which have different attributes and provide different benefits.

Stem explained the flaws in ORA's reasoning in both its opening and reply briefs.¹⁶ While the PD cites several arguments in Stem's brief, it fails to take into account any of Stem's arguments on cost-effectiveness, or why cost-effectiveness cannot be viewed narrowly.

The PD is required to spell out the basis for its findings that the contract was not cost-effective. The failure to do so makes the PD insufficient as a matter of law.

III. THE PD IS FACTUALLY WRONG BECAUSE THE CONTRACT WAS NOT FAIRLY EVALUATED FOR COST EFFECTIVENESS

A. The Agreement Should Have Been Compared To Other BTM Storage Offers

The PD's finding that "PG&E's proposed agreement with Stem is not cost-effective"¹⁷ is also factually incorrect. While, as explained above, the PD is silent as to how it arrived at its conclusion, it also fails to discuss how this contract compares to other BTM projects (which it could have done generically, without revealing confidential information) or even mention that this comparison was made. The only language in the PD related to this issue was the PD's recognition that PG&E required all BTM developers to submit two rounds of offers and that ORA believed that the Stem project was not competitive to "offers outside of the behind-the-meter sector." This is insufficient.

¹⁵ ORA Opening Brief, pp. 6-12.

¹⁶ *Opening Brief of Stem, Inc.*, dated September 23, 2016 ("Stem Opening Brief"), pp. 13-15; *Reply Brief Of Stem, Inc.*, dated October 7, 2016 ("Stem Reply Brief"), pp. 3-5.

¹⁷ Proposed Decision, p. 9, Findings of Fact ¶ 1.

The real consideration should be how this project compares to other, similarly situated projects, of the same type and with the same benefits. The ES Decision established specific energy storage targets for investor-owned utilities (“IOUs”) and created separate “buckets” for three different types of storage applications: transmission-connected, distribution-connected and customer-side BTM applications. That is the “market” to which this project should have been compared, not a broad “market” of all storage projects. Indeed, the creation of buckets is a direct reflection of the Commission’s intention to compare contracts within and not between each bucket. The analysis used in the PD incorrectly assumes every agreement was in a single bucket.

As explained in Stem’s Opening Brief, when the Commission sought to create a market for small (primarily rooftop) solar generation through its SPVP program, it authorized an initial price cap of \$260/MWh.¹⁸ It did not expect small solar to compete with conventional generation, or even large-scale renewable generation. Likewise, the Commission has always recognized that different types of renewable technologies are priced differently and that it may be necessary to trade higher prices for market diversity.¹⁹

The Commission has also demonstrated flexibility by allowing Self-Generation Incentive Program (“SGIP”) BTM projects to count towards the customer-side storage mandate under AB 2514. SGIP provides financial incentives for qualified distributed generation (“DG”) technologies that are installed on the customer side of the utility meter and that serve some or all of a customer’s onsite electric load. Incentives offered under the SGIP vary based on the technology and whether the DG technology uses renewable or non-renewable fuel. In order to allow BTM storage projects to count towards the Energy Storage program under Public Utilities

¹⁸ D.09-06-049, *Application of Southern California Edison Company (U338E) for Authority to Implement and Recover in Rates the Cost of its Proposed Solar Photovoltaic (PV) Program*, 2009 Cal. PUC LEXIS 297, *46.

¹⁹ D.01-03-073, *Order Instituting Rulemaking on the Commission’s Proposed Policies and Programs Governing Energy Efficiency, Low-Income Assistance, Renewable Energy and Research Development and Demonstration*, 2001 Cal. PUC LEXIS 218 (“D.01-03-073, 2001 Cal. PUC LEXIS 218”) **30-31.

Code section 2835(a)(3), the Commission must have deemed the projects to be cost-effective—even though they require incentives in order to be constructed, and may be more costly than the Stem project.

In this case, Stem’s project was chosen from a robust pool of BTM storage projects that had bid in not once, but twice. The Stem project was the only one selected from this pool and it is the pool to which the Stem Project should be compared. The final decision should explain what “cost effectiveness” means when the top-ranked BTM project is somehow determined not to be “cost-effective.” This is an issue that goes beyond this Agreement—if the solicitation was run correctly and despite two opportunities to bid, no BTM project emerged that passed the PAV and NPV screens, then the Commission must take a broader view of cost-effectiveness or the California IOUs will be unnecessarily constrained in meeting their BTM storage targets with innovative business models other than SGIP.

B. The Unique Benefits of This Agreement Should Have Been Considered and Evaluated

Moreover, in comparing this project with other BTM projects, it is necessary to take into account the unique cost reduction mechanism inherent in this contract that actually saves PG&E customers more as prices increase, because the four highest hourly day-ahead energy prices (less a set VOM cost), summed over the all days of the month, are subtracted from each monthly payment.²⁰ This unique, first of its kind, pricing mechanism has three extremely salutary effects. First, PG&E customers receive the actual price reduction, and the savings is greater as prices go higher. Second, Stem is incentivized to bid the project as often as possible, at prices low enough to clear, to ensure that it obtains the highest prices from the RA market that will enable it to earn back the savings it provided to PG&E customers. Finally, and crucially, because the resource is encouraged to participate more frequently, the resource will reduce the wholesale energy clearing price for all market participants. As Stem explained, “When demand

²⁰ Stem Opening Brief, p. 8; Stem Reply Brief, p. 5.

is highest and the slope of energy prices is steepest, even a small reduction in energy usage can lead to a dramatic reduction in prices at affected nodes.”²¹

The Agreement has additional benefits; none of which are fully addressed in the PD. First, it has a very-near-term initial delivery date, which will enable PG&E’s customers to reap the benefits of the Agreement sooner.²² This delivery date dovetails well with the upcoming prohibition on the use of BUGs in demand response, and enables it to provide customer load reduction when other projects may no longer be able to. Second, the Agreement’s short (five-year) term is long enough to gain operational and market information regarding the performance of energy storage in this manner but short enough so that PG&E’s customers are not locked into a long-term agreement if lower-cost alternatives to provide the same service arise. As the Independent Evaluator (“IE”) stated: “The project offers an accelerated opportunity for PG&E to gain knowledge of how BTM resources will be co-optimized to serve the needs of their retail customers and the CAISO Energy markets.”²³ And finally, the project has, as the IE stated, “a reasonable probability of success”²⁴ because “[t]he project is being developed by an experienced project developer with access to necessary capital and with a successful track record of bringing dispatchable BTM project to fruition.”²⁵ As the IE explained, the Stem team is experienced in enrolling customers, siting, permitting, interconnecting, procuring, installing, financing and commercial operation of BTM energy storage facilities.²⁶ In fact, Stem has over 3 million hours of storage equipment run time since 2013, over 200 installations, and over \$350 million in committed project finance capital to date.

²¹ Stem Opening Brief, p. 8.

²² PG&E Exh. 1, Testimony, p. 3-2.

²³ PG&E Exh. 1, Testimony, Appendix C, p. C-57.

²⁴ *Id.*

²⁵ *Id.*

²⁶ PG&E Exh. 1, Testimony, p. 3-4.

Although the PD described Stem’s explanation of the value of the Agreement’s cost-reduction mechanism, there is no evidence in the PD that the existence of this unique mechanism, or all the other positive attributes of this Agreement, were ever factored into the PD’s determination that the Agreement was not cost-effective.

C. Reliance on Numerical Metrics Alone Is Insufficient For BTM Projects

Although the PD does not state any basis for its conclusion that the Agreement is not cost-effective, Stem is forced to assume that the conclusion was based on a rote application of the PAV and NPV tests. But this solicitation demonstrates, if anything, that reliance on numerical metrics alone is insufficient for BTM projects. The initial round of the RFO did not yield a single BTM project under its initial agreement structure, and PG&E had to ask all its BTM bidders to resubmit offers with a new pro forma agreement.²⁷ Once all had done so, the Stem Agreement was the only one chosen by PG&E²⁸ and presumably, the only one that was thought to be cost-effective in a broader context; indeed, it even ranked above the purchase and sale agreements (“PSAs”) that were on the shortlist and later rejected by the Commission.²⁹

If even the best BTM agreement to emerge from the RFO does not pass muster under the PAV and NPV metrics, it is reasonable to conclude that numerical metrics alone do not effectively evaluate BTM projects. Rather than simply deem this Agreement to not be “cost-effective,” the Commission must evaluate this Agreement more holistically, analyzing its qualitative factors and benefits, as PG&E surely did.

IV. THE PD IMPEDES THE DEVELOPMENT OF BTM STORAGE BY REJECTING AN OPPORTUNITY TO APPROVE A NEW AND INNOVATIVE CONTRACT

By rejecting this Agreement, the PD impedes State policy to increase a diverse range of storage projects just when they are most needed. This is not the time for erecting

²⁷ PG&E Exh. 1, Testimony, p. 2-4.

²⁸ PG&E Exh. 1, Testimony, pp. 3-1–3-6.

²⁹ PG&E Exh. 1, Testimony, Appendix C, pp. C-62–C-63.

barriers to energy storage. This is a time when the Commission should be doing everything in its power to ensure that as much energy storage as the State needs is developed and becomes operational, and in order to accomplish that goal, take the opportunities to learn what works on smaller, shorter-term projects.

Senate Bill (SB) 350, signed into law last year, requires utilities to procure at least 50 percent of their power from renewable resources by 2030.³⁰ This goal would be ambitious in and of itself; however, the bulk of available renewable energy projects are intermittent resources, like solar and wind. The variability of these resources will demand a vast increase in energy storage. As California Senate President pro Tempore and bill author Kevin de León said, “Energy storage will play a vital role in our transition to a clean energy economy, enabling a larger role for renewable power in both our electricity and transportation sectors.”³¹

The Commission recognized the immediate need for energy storage when it sought to alleviate electric reliability risks to the Los Angeles Basin as a result of the Aliso Canyon event. The Commission identified energy storage systems as a potential solution “because they can be fast-responding, firm, and dispatchable.”³² The need is there, and energy storage is the proven answer.

BTM energy storage, in particular, will be needed very quickly. A Commission decision issued just last month prohibits customers receiving demand response incentives from using most BUGs for load reduction after January 1, 2018. The prohibition against BUGs will

³⁰ See Sen. Bill No. 350 (2015-2016 Reg. Sess.), available at <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350> (as of November 4, 2016).

³¹ Franzel, *The Responsibility Energy Storage Companies Have to Help California Meet 50% Renewable Energy by 2030*, Coda Energy (Dec. 1, 2015), available at <<http://www.codaenergy.com/the-responsibility-energy-storage-companies-have-to-help-california-meet-50-renewable-energy-by-2030>> (as of November 4, 2016).

³² Resolution E-4791, *Authorizing Expedited Procurement of Storage Resources to Ensure Electric Reliability in the Los Angeles Basin due to Limited Operations of Aliso Canyon Gas Storage Facility*, dated May 26, 2016, pp. 3-4.

almost certainly reduce the number of customers and amount of load participating in demand response programs, at least in the near term. Near-term BTM energy storage projects like Stem's, which provide customer load reduction without the associated pollution, can fill the gap.

As the Commission recognized in D.13-10-040,³³ there is a need to learn how energy storage can be used cost-effectively. This is the right time to do it—while the energy storage market is in its infancy. It is better to learn how the innovative pricing mechanism in the Agreement can work through a small, short-term contract than on a 20-year, 100 MW contract, and it is better to learn these lessons sooner, rather than later. In the future, utilities will be purchasing gigawatts of energy storage, and the lessons learned from small projects can inform the direction of the industry.

PG&E and the IE recognized the importance of the learning opportunity provided by the Stem project.³⁴ It is relatively small, has a near-term delivery date, and has the shortest term of any project shortlisted in the RFO. If the Commission is serious about implementing the State's goal of increasing energy storage, the Commission should seize this learning opportunity, reject the PD and approve this Agreement. To do anything else would send the wrong signal to BTM developers and the energy storage market generally.

V. **IF THE COMMISSION REJECTS THIS AGREEMENT IT MUST GIVE THE PARTIES CLEAR DIRECTION AND ALLOW THEM TO RENEGOTIATE THE AGREEMENT**

If the Commission rejects this Agreement, it must modify the PD to provide clear standards for the type of energy storage contracts it is willing to approve and allow Stem and PG&E to renegotiate this Agreement to meet those newly-provided metrics. As Stem noted in its Reply Brief, the energy storage industry cannot sustainably continue to expend significant time and money procuring, reviewing and negotiating contracts and developing new technology

³³ D.13-10-040, *Order Instituting Rulemaking Pursuant to Assembly Bill 2514 to Consider the Adoption of Procurement Targets for Viable and Cost-Effective Energy Storage Systems*, dated October 17, 2013, pp. 12-13.

³⁴ PG&E Exh. 1, Testimony, pp. 3-5–3-6, Appendix C, C-57.

projects only to be later deemed unacceptable under previously unknown or vague Commission standards. The Commission has already rejected several energy storage contracts and, if this Agreement is rejected, the energy storage industry will have been dealt a severe blow.

VI. CONCLUSION

The PD is deficient as a matter of law and cannot legally stand as a Commission decision. It is also factually incorrect and it contravenes State policy. For these reasons and others explained above, Stem requests that the Commission issue a decision:

(1) Approving the Agreement; and

(2) Modifying the Findings of Fact, Conclusions of Law and Ordering Paragraphs of the PD in accordance with Appendix A hereto.

In the alternative, the Commission should in its decision provide clear guidance as to “cost effectiveness,” and allow PG&E and Stem to renegotiate the Agreement in accordance with those standards and resubmit it to the Commission for approval.

Dated: November 10, 2016

Respectfully submitted on behalf of Stem, Inc.,

By: /s/ Beth A. Fox

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Appendix A –Proposed changes to PD

Findings of Fact

1. In its 2014 Energy Storage RFO PG&E received approximately 200 offers (with 700 variations) from 50 participants.
2. PG&E approached the bidders of all BTM offers and asked them to bid a second time.
3. The Stem project was the only BTM project shortlisted by PG&E after the second round of bids.
4. The Agreement with Stem ranked higher than other agreements on PG&E’s final shortlist of eight projects.
5. As California utilities expand their renewable energy portfolios, energy storage projects and BTM energy storage projects, in particular, will be needed very quickly.
6. The Stem Agreement contains several attributes beneficial to PG&E customers, including a unique price reduction mechanism, a relatively short term, a relatively small size and a near-term online date.
17. PG&E’s proposed agreement with Stem is ~~not~~ cost-effective.
28. PG&E’s 2014 storage target is 74 MW.
3. ~~PG&E is four MW short of meeting its 2014 storage target.~~
- 4-9. Green Power Institute, Marin Clean Energy, and Sonoma Clean Power Authority did not actively participate in these proceedings.

Conclusions of Law

1. PG&E’s 2014 Energy Storage RFO was conducted in a fair and competitive manner.
2. In selecting winners, PG&E applied the evaluation methodologies approved in D.14-10-045

correctly.

3. The deviations from PG&E's pro forma contract approved in D.14-10-045 were warranted, because the Stem Agreement provides attributes beneficial to PG&E's customers.

4. The prices, terms, and conditions resulting from the solicitations were reasonable.

~~15. PG&E's proposed agreement with Stem should not be approved.~~

~~26. PG&E has not met its 2014 Energy Storage Procurement target established in D.13-10-040 and D.14-10-045.~~

~~37. Four MW should be added to the 2016 storage target adopted in D.16-09-009, resulting in a new target of 119.3 MW.~~

~~48. Exhibits PGE-1C and ORA-2C should be admitted under seal for durations consistent with the timing specified in Exhibit PGE-1: D-7 through D-10.~~

~~59. Because Green Power Institute, Marin Clean Energy, and Sonoma Clean Power Authority did not actively participate in these proceedings, they do not maintain their party status consistent with the Scoping Ruling and should be shifted to information only status.~~

ORDER

IT IS ORDERED that:

1. The proposed energy storage contract between Pacific Gas and Electric Company and counterparty Stem Energy Northern California LLC is ~~not~~ approved.

~~2. Pacific Gas and Electric Company's 2016 storage target is now 119.3 megawatts.~~

3. Exhibits PGE-1C and ORA-2C are admitted under seal for durations consistent with the timing specified in Exhibits PGE-1: D-7 through D-10. During this time frame, the specified information may not be publicly disclosed except on further California Public Utilities Commission order or Administrative Law Judge ruling. If Pacific Gas and Electric Company believes that it is necessary for this information to remain under seal for longer than specified in Exhibits PGE-1: D-7 through D-10, the utility may file a motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

4. Green Power Institute, Marin Clean Energy, and Sonoma Clean Power Authority are converted from party status to Information Only status.

5. Application 16-04-024 is closed.

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