

Decision _____

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)

**DECISION GRANTING COMPENSATION TO SIERRA CLUB CALIFORNIA
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 13-10-040**

Claimant: Sierra Club California (Sierra Club)	For contribution to D.13-10-040
Claimed: \$150,743.75	Awarded: \$138,065.30 (reduced 8.4%)
Assigned Commissioner: Carla Peterman	Assigned ALJ: Amy C. Yip-Kikugawa, Colette Kersten

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	Adopted energy storage procurement framework and design program.
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B. Claimant must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	April 21, 2011, September 4, 2012 (Phase 2 PHC)	Verified.
2. Other Specified Date for NOI:		
3. Date NOI Filed:	May 20, 2011, Amended NOI for Phase 2 submitted October 4, 2012	Verified.
4. Was the NOI timely filed?		Yes.
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Verified.
6. Date of ALJ ruling:	July 5, 2011	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Claimant demonstrated customer or customer-related status?		Yes.
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Verified.
10. Date of ALJ ruling:	July 5, 2011	Verified.
11. Based on another CPUC determination (specify):		
12. Has the Claimant demonstrated significant financial hardship?		Yes.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.13-10-040	Verified.
14. Date of Issuance of Final Order or Decision:	October 21, 2013	Verified.
15. File date of compensation request:	December 20, 2013	Yes; however, <i>Amended Request</i> was filed on January 8, 2014.
16. Was the request for compensation timely?		Yes.

C. Additional Comments on Part I:

#	Intervenor’s Comment(s)	CPUC Discussion
	<p>Sierra Club California (“Club” or “Sierra Club”) is a grassroots environmental organization interested in implementing measures to reduce greenhouse gas emissions and increase reliance on renewable energy sources. The Club’s interest in this proceeding is not related to any business interest. The Club receives funding for environmental advocacy from many sources, including philanthropic donations, member contributions and other sources. The Club has entered into agreements with certain residential rooftop solar installers that will likely result in a small amount of additional funding. However, the Club's involvement in the present proceeding is completely independent and unrelated to those small amounts of funding.</p>	<p>The Commission accepts this assertion.</p>

PART II: SUBSTANTIAL CONTRIBUTION

A. In the fields below, describe in a concise manner Claimant’s contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059.

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>Sierra Club achieved its main goal of having the proceeding establish procurement targets. Throughout the proceeding Sierra Club was a main advocated for targets. Although Sierra Club did not achieve everything for which it advocated, Sierra Club’s participation made a substantial contribution to Phase 2 of this proceeding and to the overall outcome of the proceeding. The Club details the substantial contribution it made to D.13-10-040 and the Assigned Commissioner’s</p>		

<p>Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting, which was the basis for the decision, below:</p>		
<p>1. <u>Procurement targets</u> <u>Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 4, 2013) “To pick effective procurement targets, the Commission should construct targets based on AB 2514 policy goals and California’s clean energy mandates. In its opposition to procurement targets, SDG&E argued, inter alia, that storage is a means to end and should not be considered as an end in and of itself. Sierra Club agrees that a procurement target should not established for its own sake, and that is why a procurement target should be tied to concrete state policy goals and mandates.” (p. 4)</p>	<p><u>D.13-10-040</u> (Oct. 17, 2013) “AB 2514 is silent on any requirement to conduct or apply a system need determination as a basis for procurement targets. As such, we are not prevented from establishing procurement targets, based on our expertise and authority, in the absence of a system needs determination. Based on AB 2514, as well as our overall energy policy, we find that it is reasonable to establish procurement targets to encourage the development and deployment of new energy storage technologies.” (pp. 22-23) <u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013) “I propose that the Commission adopt energy storage procurement targets expressed in megawatt (MW) amounts for each investor-owned utility. Building on the storage use cases identified and defined by Commission staff earlier in this proceeding, each utility would be given a target allocated among the three sets of storage use cases: transmission-connected, distribution-connected, and customer-side</p>	<p>Verified.</p>

<p><u>Reply Comments of Sierra Club California and the California Environmental Justice Alliance on Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms</u> (Jul. 19, 2013)</p> <p>“Sierra Club and CEJA recommend that the Commission stay the course on proposing procurement targets for energy storage. These targets should be made mandatory, demonstrating that there is no question that California will procure enough energy storage to transform the energy storage market.” (p. 1)</p> <p>“The procurement should be designed to promote the most cost-effective solutions and as such should only be subject to a narrowly tailored off-ramp, which allows some flexibility without undermining the overall goals.” (p. 8)</p> <p><u>Reply Comments of Sierra Club California and the California Environmental Justice Alliance on Proposed Decision Adopting Energy Storage Procurement Framework And Design Program</u> (Sept. 30, 2013)</p> <p>Similarly, the Commission should retain the requirements that targets are based on MW</p>	<p>applications...” (p. 7)</p> <p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>“We remind the IOUs that while we may grant a request to defer a portion of their procurement targets, we expect that the overall procurement goal of 1,325 MW will be installed by 2024.” (p. 43)</p> <p>“CESA and Sierra/CEJA favor retaining existing targets or even increasing them.” (p. 20)</p> <p>“As explained below, we find that the procurement target levels set forth in the Proposed Plan are appropriate.” (p. 22)</p> <p>“Section 3.d. of the Storage Framework sets forth the requirements for the procurement application. The procurement targets set for 2014, 2016, 2018 and 2020 represent the number of MW pending contract, under contract, or installed after the end of those procurement cycles. However, by no later than the end of 2024, the IOUs must have the full 1,325 MW installed.” (p. 26)</p>	
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<p>installed and that any adjustments to procurement targets for a project identified in the decision or authorized in other Commission proceedings should be counted after operating for one year. (p. 2)</p>		
<p>2. <u>Policy Guidance</u></p> <p><u>Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 4, 2013)</p> <p>“The legislature set out the relevant benchmarks for creating procurement targets based on policy goals. In AB 2514, the legislature found that the expansion of energy storage systems could assist load-serving entities in “integrating increased amounts of renewable energy resources into the electrical transmission and distribution grid in a manner that minimizes emissions of greenhouse gases,” “optimize the use of the significant additional amounts of variable, intermittent, and off peak electrical generation from wind and solar energy,” reduce “the need for new fossil fuel-powered peaking power plants,” avoid or reduce peak load from “high carbon-emitting electrical generating facilities,” and provide “ancillary services otherwise provided by fossil-fueled generating facilities” reducing</p>	<p><u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013)</p> <p>“Consistent with AB 2514, the Commission’s energy storage procurement policy should be guided by three purposes:</p> <ol style="list-style-type: none"> 1) The optimization of the grid, including peak reduction, contribution to reliability needs, or deferment of transmission and distribution upgrade investments; 2) The integration of renewable energy; and 3) The reduction of greenhouse gas emissions to 80 percent below 1990 levels by 2050, per California’s goals. <p>While energy storage may serve additional purposes within California’s energy supply, I propose that the Commission use these three overarching purposes in setting procurement targets, designing procurement, and measuring progress.” (pp. 6-7)</p> <p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>“The Proposed Plan set forth the</p>	<p>Verified, however duplicative. There was widespread agreement by all parties on the goals of AB 2514.</p>

<p>the emissions of carbon dioxide and criteria pollutants. These functions of energy storage should provide the context for establishing procurement targets.” (p. 4)</p> <p>“More fundamentally, the energy storage procurement targets should be consistent with and back calculated from the State’s long-term target of reducing emissions to 80% below 1990 levels by 2050 which likely requires the transition to a zero carbon energy supply. In some parts of the state such as the LA Basin, replacing fossil fuel generation with energy storage will be an important component to reducing persistent, unhealthy air. According to the South Coast Air Quality Management District, ‘a transition to zero- and near-zero emission technologies is necessary to meet 2023 and 2032 air quality standards and 2050 climate goals.’” (p. 5)</p> <p><u>Reply Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 21, 2013)</p> <p>“To effectively develop procurement targets, Staff needs to establish the objectives for the targets. Sierra Club urges the Commission to adopt storage procurement objectives that focus on integrating the current</p>	<p>following guiding principles, consistent with AB 2514, for the Commission’s energy storage procurement policy... We find these guiding principles to be reasonable. The guiding principles are contained in Section 1 of the Storage Framework.” (pp. 8-9)</p>	
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<p>33% RPS mandate as well as looking forward to integrating the much higher level of renewables that will be necessary to meet to the State’s goal of 80% GHG reduction by 2050.” (p. 4)</p>		
<p>3. <u>Market Transformation</u> <u>Reply Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 21, 2013) “This proceeding should dismiss the notion that, since California has made a bit of progress in valuing these resources, nothing more is required to allow energy storage to enter the market on a level playing field. Energy storage provides unique benefits to the system. Even accounting for the progress California has made in this arena, not all of these benefits are valued adequately in the market. Energy storage provides unique benefits to the system...The Commission should continue its efforts to accurately value all the benefits energy storage contributes. Furthermore, cost-effectiveness analysis, and existing procurement mechanisms, will tend to rely on current storage technology costs, and therefore fail to incorporate the longer term benefits of market transformation and the potential for reducing future costs through current</p>	<p><u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013) “This ACR suggests procurement targets for energy storage with the goal of market transformation.” (p. 3) <u>D.13-10-040</u> (Oct. 17, 2013) "With the goal of market transformation, the Proposed Plan set procurement targets for energy storage for the three investor-owned utilities – Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) – equaling 1,325 megawatts (MW) to be procured by 2020." (p. 7) "As explained below, we find that the procurement target levels set forth in the Proposed Plan are appropriate." (p. 22)</p>	<p>Verified; however, this contribution was duplicative of many other parties and served to simply re-inforce the Assigned Commissioner’s Ruling.</p>

<p>investments.” (pp. 9-10)</p> <p><u>Opening Comments of Sierra Club California and the California Environmental Justice Alliance on Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms</u> (Jul. 3, 2013)</p> <p>“The ACR’s focus on ‘procurement targets for energy storage with the goal of market transformation’ is exactly what is needed for the energy storage market. Procurement target mandates of sufficient magnitude can create market transformation. Clear and firm policy support in the form of strict procurement targets will (1) establish a market, (2) promote innovation, and (3) potentially create numerous benefits from learning-induced cost reductions. As envisioned by the ACR, market transformation can ‘bring down market barriers, reduce costs, and increase scale of market penetration over time.’” (p. 14)</p>		
<p>4. <u>Cost-effectiveness</u></p> <p><u>Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 4, 2013)</p> <p>“Sierra Club once again reiterates its position that a cost-effectiveness methodology and the adoption</p>	<p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>"AB 2514 requires that energy storage targets and procurements must be 'viable and cost-effective.' To that end, we have</p>	<p>Verified.</p>

<p>of a procurement target are the two essential outcomes of this proceeding and both should be the focus of the remaining time.” (p. 3)</p> <p><u>Opening Comments of Sierra Club California and the California Environmental Justice Alliance on Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms</u> (Jul. 3, 2013)</p> <p>“Energy storage has a slew of benefits, most of which - but not all - have been at least mentioned during this proceeding, and a smaller subset were included in the EPRI and KEMA cost-effectiveness studies. As we demonstrate below, a more comprehensive view of cost-effectiveness would show much higher benefit-to-cost ratios. This has important implications: (1) The total procurement target proposed by the Commission could be considerably higher without causing burden on the IOUs. (2) If IOU’s are allowed an ‘offramp’ by demonstrating unreasonableness, they should be required to do so using a comprehensive calculation of cost-effectiveness, rather than the narrow view taken in the EPRI and KEMA studies.” (p. 34)</p>	<p>devoted a great deal of attention and effort into formulating a cost-effectiveness approach that would be sufficient to meet Section 2836.2(d).” (p. 62)</p> <p>“Moreover, based on parties’ comments, we find that the EPRI and DNV KEMA models should not be required by the Commission as the sole methodologies for assessing cost effectiveness at this point.” (p. 63)</p> <p>“As such, we shall allow the IOUs to propose their own methodology to evaluate the cost and benefits of bids. However, the IOUs shall assess the full range of benefits and costs identified in the use-case framework and the EPRI and DNV KEMA reports submitted in this proceeding. In addition, while we allow different evaluation protocols by utility, the IOUs shall confer with Energy Division Staff to develop a consistent evaluation protocol to be used for benchmarking and general reporting purposes.” (p. 63)</p>	
<p>5. <u>Pumped Hydro Storage</u></p> <p><u>Reply Comments of Sierra Club California on</u></p>		<p>Verified.</p>

<p><u>Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 21, 2013)</p> <p>“While Sierra Club supports ambitious targets for storage, we also urge the Commission to insure that this program is not dominated by pumped storage technology. Pumped hydro raises a potential host of environmental and planning issues that are categorically different from other forms of energy storage. About 4000 MW of pumped hydro storage is already deployed in California, and new pumped storage would be subject to extensive environmental analysis. In addition, it raises a different set of procurement issues compared to other forms of storage.” (p. 6)</p> <p><u>Opening Comments of Sierra Club California and the California Environmental Justice Alliance on Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms</u> (Jul. 3, 2013)</p> <p>“Sierra Club and CEJA agree with the ACR’s exclusion of pumped hydrological storage from the definition of energy storage for the purpose of setting these procurement targets, because those technologies are already into the California grid and face a</p>	<p><u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013)</p> <p>“When identifying market barriers and presenting procurement targets for consideration, I am referring to the barriers faced by those storage applications and technologies that have not yet achieved widespread commercial operation. More well-established technologies and applications with proven benefits and the ability to participate in California markets today, such as pumped hydrological storage, may not face all of the same types of barriers and issues as those energy storage technologies being used in new ways that have not been demonstrated or deployed on a wider scale.” (pp. 4-5)</p> <p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>"As noted above, there was considerable discussion over the Proposed Plan’s exclusion of large-scale pumped storage projects towards meeting the procurement targets. We are sympathetic to parties’ arguments that pumped storage complies with storage definitions under AB 2514. However, the sheer size of pumped storage projects would dwarf other smaller, emerging technologies; and as such, would inhibit the fulfillment of market transformation goals. The majority of pumped storage</p>	
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<p>different set of market barriers.” (p. 26)</p>	<p>projects are 500 MW and over, which means a single project could be used to reach each target within a utility territory. Therefore, we find it is appropriate to exclude large-scale pumped storage projects from the procurement mechanism outlined in this decision. Accordingly, large-scale pumped storage projects greater than 50 MW will not be eligible to bid into solicitations offered under the Storage Framework." (pp. 34-35)</p>	
<p>6. <u>Place of Energy Storage in the Loading Order</u></p> <p><u>Comments of Sierra Club California on Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 4, 2013)</p> <p>Spending limited resources and time on this issue would become an unnecessary distraction from the core issue that need to be determined by this proceeding: How much cost-effective energy storage should be targeted for implementation in the California electric grid? (p. 13)</p>	<p><u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013)</p> <p>“At present, I do not believe it is necessary to formally revise the California Loading Order identified as part of the Energy Action Plan to include energy storage.” (p. 20)</p> <p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>“Consistent with D.13-05-015, we agree that the Loading Order should not be revised.” (p. 11)</p>	<p>Verified, however duplicative of other parties and ultimately this issue was not contentious.</p>
<p>7. <u>Coordination with Other Commission Proceedings</u></p> <p><u>Comments of Sierra Club California on Administrative</u></p>		<p>Verified.</p>

<p><u>Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report Into Record and Seeking Comments</u> (Feb. 4, 2013)</p> <p>“Sierra Club urges Staff to change its determination that LTPP and Resource Adequacy “represent the best forums for dealing with issues related to energy storage within their context. For example, determinations of market need for new resources, which may include energy storage, is best left to the LTPP proceeding.” This statement is contrary to the statements in LCR PD in LTPP. After setting a “modest” 50 MW procurement target for energy storage resources, the PD explains that the procurement proceedings will not be able to do more with energy storage resources until there are further decisions in the energy storage proceeding. The PD states that in the energy storage proceeding “no decisions have been made concerning the viability, cost-effectiveness or public interest nature of energy storage technologies in that docket. If and when such action is taken, the role of energy storage technologies in the procurement process can be considered.” LTPP needs decision-making to occur in this proceeding in order to make additional decisions about energy storage. As Sierra Club has argued in this</p>	<p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>“The procurement targets and the schedule for solicitations proposed here are not presently tied to need determinations within the LTPP proceeding. Instead, in the near term, we view the Storage Framework adopted herein as moving in parallel with the ongoing LTPP evaluations of need – system and local, and with the new consideration of the outage at SONGS.” (pp. 33-34)</p> <p><u>Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting</u> (Jun. 10, 2013)</p> <p>“This proposal brings together aspects of suggestions from various parties during the course of this proceeding, as well as actions by the Commission in other venues such as the Long Term Procurement Planning (LTPP) proceeding, and the aforementioned SGIP. Ultimately, there are decisions being made in multiple arenas that impact storage, and this proposal is designed to supplement those activities, while moving forward with storage policy and deployment for the benefit of California.” (p. 6)</p>	
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<p>proceeding, procurement targets established in this proceeding can feed into the analysis in the LTPP.” (pp. 18-19)</p>		
<p>8. <u>Procurement Mechanism</u> <u>Opening Comments of Sierra Club California and the California Environmental Justice Alliance on Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms</u> (Jul. 3, 2013)</p> <p>“The ACR proposes an energy storage auction protocol modeled on the auction mechanism used for the Renewables Auction Mechanism (RAM). The proposed auction mechanism is neither suited to overcome market barriers, nor to the dynamic nature of energy storage. Consequently, the Commission should not adopt a RAM-based mechanism and instead utilize a series of RFOs for larger scale projects and standardized contracts and/or incentives for small-scale storage.” (p. 22)</p>	<p><u>D.13-10-040</u> (Oct. 17, 2013)</p> <p>“We agree with parties that the RAM is not the appropriate mechanism for the procurement of energy storage. Energy storage has multiple attributes and functions that cross the spectrum of wholesale and retail markets and transmission & distribution grid services. As such, a RAM-type solicitation, which seeks to obtain the lowest cost for ratepayers, may not be able to properly evaluate projects due to the variety of functions and markets served. Rather, we are persuaded by parties’ comments that competitive solicitations involving RFOs are the best mechanism to meet the varying definitions and use cases of storage in a changing technology environment.” (p. 54-55)</p>	<p>Verified; however, duplicative of other parties, as noted in the Decision.</p>

B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹	Yes	Verified.
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified.
c. If so, provide name of other parties: California Environmental Justice Alliance (“CEJA”), CLEAN Coalition, California Energy Storage Alliance, and some energy storage companies.		Verified.
d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: Sierra Club brought a unique perspective to the proceeding representing environmental and ratepayer interests rather than an industry perspective. Moreover, the Club was a tenacious advocate for procurement targets despite opposition from the utilities and ORA, among others. At the beginning of Phase 2, Sierra Club was the main environmental group advocating on this topic and was one of the very few voices for procurement targets before they were proposed in the ACR. During the middle of Phase 2, the California Environmental Justice Alliance (“CEJA”) entered the proceeding. Sierra Club and CEJA joined forces because our interests were very similar. Sierra filed joint briefs with CEJA; the Club took the lead on briefing, because it was already immersed in the proceeding. Sierra Club and CEJA also attended a joint ex parte meeting. Sierra Club did not coordinate with ORA, because ORA consistently argued against procurement target in Phase 1 and into Phase 2. Given the different position that Sierra Club and ORA had with respect to procurement targets coordination would have been futile. The California Energy Storage Alliance (“CESA”) had similar but not always consistent positions with the Club. Even so, Sierra Club coordinated with CESA throughout Phase 2. Although Sierra Club discussed certain positions with CLEAN Coalition, another advocacy group involved in the proceeding, Sierra Club filed independent comments. The perspective of both groups was complementary and added to the fullness of the record.		Verified, however on certain issues Sierra Club’s participation was duplicative as discussed in Part II.

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

a. Intervenor’s claim of cost reasonableness:	CPUC Discussion
<p>Sierra Club’s main objective for the proceeding was the adoption of significant procurement targets that would facilitate a clean energy future for California. Not only did the Commission adopt a significant procurement target that will double the current capacity of energy storage in the United States, the Commission also based its decision on policy guidance for which Sierra Club advocated, including integration of renewables, reduction of peak power and using the state’s greenhouse gas emission goals as reasons for adopting energy storage targets. Sierra Club also contributed to the discussions of whether energy storage should be part of the loading order, the applicability of energy storage to the loading order and whether pumped hydro should be included in the procurement targets. Additionally, Sierra Club provided extensive input on valuing the attributes of energy storage and how a cost-effectiveness methodology should be developed and addressed in the proceeding, which was a primary part of the initial stages of Phase 2 before the ACR was issued.</p> <p>The Club’s participation in this proceeding will result in benefits to ratepayers that exceed the cost of participation. Although these benefits are not quantifiable, the adoption of procurement targets will help facilitate a clean energy future and will better effectuate California’s other clean energy law and policies. The Club’s advocacy on behalf of aggressive implementation of the State’s clean energy and environmental goals will benefit the ratepayers over the long-term because Californians will reap the environmental and health benefits intended by these laws. Moreover, the Club’s fee request is miniscule in comparison to the cost of the procurement of energy storage that this proceeding authorizes.</p>	<p>Verified.</p>
<p>b. Reasonableness of Hours Claimed.</p> <p>As in Phase 1, Sierra Club California participated actively in all aspects of Phase 2 of this proceeding by attending all workshops and commenting on the Administrative Law Judge’s January 18, 2013 Ruling Entering Interim Staff Report into Record and Seeking Comments, on the Assigned Commissioner’s Ruling Proposing Storage Procurement Targets and Mechanisms (“ACR”), and the Proposed Decision.</p> <p>Sierra Club was one of primary advocates in the proceeding for procurement targets, often like a lone voice in the wind. But with the issuance of the ACR, the proceeding turned dramatically and adopted many of the positions that Sierra Club had been advocating. Sierra Club filed a thirty-five page comment letter in addition to scores of supporting documentation to ensure that the record supported the decision. Sierra Club provided record support to many of the positions of the ACR such as procurement targets promoting market transformation and support for the policy guidance articulated in the ACR. Once the Proposed Decision affirmed much of the ACR and many of the positions for which Sierra Club advocated, Sierra Club submitted relatively abbreviated comments.</p>	<p>Verified.</p>

<p>In addition, Sierra Club extensively commented on the valuation of energy storage and cost-effectiveness and participated in the workshops held on the topic. The Commission held 5 workshops evaluating the use cases and cost-effectiveness in from September 2012 to March 2013. The use cases fed into analyses conducted by two consultant groups: EPRI and KEMA. To evaluate these cost-effectiveness analyses, Sierra Club engaged a consultant, EcoShift Consulting. EcoShift Consulting produced a report, attached to Sierra Club’s July 3, 2013 Opening Comments on the Assigned Commissioner’s Ruling, that reviewed the EPRI and KEMA studies and contributed additional information to the record to fully capture the benefits of energy storage. While other parties argued that EPRI and KEMA’s studies should be disregarded, Sierra Club drew on EcoShift’s report to argue that the EPRI and KEMA studies be used to determine cost-effectiveness of energy storage projects, with the understanding that additional data must be added to ensure that the full benefits of energy storage are captured. The final decision required that the IOUs evaluate programs using EPRI and KEMA’s studies, in addition to whatever methodology they develop in-house (D.13-10-040, p. 63). EcoShift’s work also provided Sierra Club with substantial evidence for justifying procurement targets as the correct policy choice.</p> <p>Sierra Club California is claiming a reasonable amount of hours for the work of a one attorney, one in-house advocate and outside experts. The work was coordinated by William Rostov to avoid duplication and to ensure that the relevant people worked on issues appropriate to their experience. Additionally, Sierra Club successfully collaborated with CEJA on briefing. The limited overlap in the work involved internal review of filings, and ensuring the accuracy of the filings. Sierra Club worked with EcoShift, which produced an independent analysis on cost-effective issues and contributed to various sections of our comments on the ACR. The Club also judiciously used the expertise of Robert Freehling. He is an energy expert who provides important insight and nuance to Sierra Club’s position. Sierra Club also hired an expert to help with the initial use case workshops but Sierra Club has not claimed his time.</p> <p>Additionally, in the exercise of reasonable billing judgment, the Club excised hours that appeared excessive, redundant or unnecessary.</p>	
<p>c. Allocation of Hours by Issue</p> <ul style="list-style-type: none"> A. Initial workshop/prehearing conference/all-party meeting/review of scoping ruling/coordination with other parties/ex-parte meetings. (14%) B. Use case development. (12%) C. Cost-effectiveness/valuation of storage. (32%) D. Procurement targets/policy guidance. (23%) E. Pumped hydro. (5%) F. Energy storage not included in loading order. (5%) 	<p>Verified.</p>

G. Relationship to other proceedings. (5%)	
H. Procurement mechanism. (4%)	

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
William Rostov	2012	44.80	\$360	D.13-12-027	\$16,128.00	41.87 ^[A, B]	\$360	\$15,073.20
William Rostov	2013	205.7	\$390	See Comment 1	\$80,223.00	182.4 ^[A, B]	\$390	\$71,136.00
James Barsimantov	2013	69.3	\$210	See Comment 2	\$14,553.00	68.2 ^[B]	\$210	\$14,322.00
Dustin Mulvaney	2013	20.5	\$190	See Comment 3	\$3,895.00	20.5	\$190	\$3,895.00
Robert Freehling	2012	0.7	\$165	D.13-10-068	\$115.50	0.53 ^[B]	\$165	\$87.45
Robert Freehling	2013	18.1	\$180	See Comment 4	\$3,258.00	17.03 ^[B]	\$180	\$3,065.40
Adenike Adeyeye	2012	24.7	\$130	See Comment 5	\$3,211.00	23.2 ^[B]	\$130	\$3,016.00
Adenike Adeyeye	2013	197.3	\$135	See Comment 5	\$26,635.50	183.3 ^[B]	\$135	\$24,745.50
Subtotal: \$148,019.00						Subtotal: \$135,340.60		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
William Rostov	2013	10.2	\$195	See Comment 6	\$1,989.00	10.2	\$195	\$1,989.00
Adenike Adeyeye	2013	10.9	\$67.5	See Comment 7	\$735.75	10.9	\$67.50	\$735.75
Subtotal: \$2,724.75						Subtotal: \$2,724.75		
TOTAL REQUEST: \$150,743.75						TOTAL AWARD: \$138,065.30		

**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making

the award.

**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
William Rostov	December 3, 1996	184528	No

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
Comment 1	Rostov's 2013 rate includes a requested 5% step increase pursuant to D.08-04-110 and a 2% COLA pursuant to Resolution ALJ-287. (360 x 5% rounded to nearest 5\$ = 380, 380 x 2% rounded to nearest 5\$ = 390). This would be Rostov's first 5% step increase.
Comment 2	Barsimantov was awarded a rate of \$195 for work in 2010 in D.12-05-032. Barsimantov's 2013 rate includes a requested 5% step increase pursuant to D.08-04-110 and a 2% COLA pursuant to Resolution ALJ-287. (195 x 5% rounded to nearest 5\$ = 205, 205 x 2% rounded to nearest 5\$ = 210). This would be Barsimantov's first 5% step increase.
Comment 3	Mulvaney was awarded a rate of \$175 for work in 2010 in D.12-05-032. Mulvaney's 2013 rate includes a requested 5% step increase pursuant to D.08-04-110 and a 2% COLA pursuant to Resolution ALJ-287. (175 x 5% rounded to nearest 5\$ = 185, 185 x 2% rounded to nearest 5\$ = 190). This would be Mulvaney's first 5% step increase.
Comment 4	Freehling's 2013 rate includes a requested 5% step increase pursuant to D.08-04-110 and a 2% COLA pursuant to Resolution ALJ-287. (165 x 5% rounded to nearest 5\$ = 175, 175 x 2% rounded to nearest 5\$ = 180). This would be Freehling's second 5% step increase.
Comment 5	Adenike Adeyeye works as a Research and Policy Analyst in Earthjustice's California Regional Office, a non-profit public interest law firm dedicated to protecting the magnificent places, natural resources, and wildlife of this earth, and to defending the right of all people to a healthy environment. Earthjustice receives no compensation for its representation and will only receive compensation for its services based on the award of intervenor compensation. Adeyeye holds a BA in Environmental Studies from Yale University in 2007 and a Masters in Environmental Management from the Yale School of Forestry and Environmental Studies in 2011 (resume attached). She has worked on PUC proceedings including the 2012 Long Term Procurement Planning and Energy Storage proceedings since March 2012. She falls within the 0-6 year range for experts. Sierra Club requests the minimum in the range for both 2012 and 2013.
Comment 6	This is one-half of calculated 2013 rate for William Rostov (See Comment 1). Note,

² This information may be obtained at: <http://www.calbar.ca.gov/>.

	Sierra Club is only requesting compensation for the request for compensation and not the amended NOI.
Comment 7	This is one-half of the proposed 2013 rate for Adenike Adeyeye (See Comment 5).
Attachment 1	Certificate of Service
Attachment 2	Adenike Adeyeye Resume
Attachment 3	Timesheets

D. CPUC Disallowances and Adjustments:

Item	Reason
1. William Rostov's 2013 hourly rate.	Sierra Club requests a step-increase (5%) as well as the application of the 2013 Cost-of-Living-Adjustment (COLA) to Rostov's last established hourly rate. Rostov became a member of the California State Bar in 1996. As such, in 2013, Rostov has over 13-years of experience as an attorney. This places Rostov in the rate range(s) of attorneys with 13+ years of experience. Resolution ALJ-287 establishes the hourly rates for attorneys with 13+ years of experience between \$310 and \$555 per hour. Sierra Club's application of the 5% step-increase and the 2013 COLA are consistent with Commission precedent. Therefore, the rate of \$390 is adopted for Rostov in 2013. This is the first step-increase for Rostov in the 13+ tier; therefore Rostov may only request 1 additional step-increase per the rules set forth in Decision (D.) 08-04-110.
2. James Barsimantov's 2013 hourly rate.	Sierra Club requests a step-increase (5%) as well as the application of the 2013 COLA to Barsimantov's last established hourly rate. In 2010, Barsimantov was awarded an hourly rate of \$195 for his work as an expert in Decision (D.) 12-05-032. D. 12-05-032 touched on Barsimantov's credentials as an expert, including his PhD from University of California, Santa Cruz and over 7-years of experience working in environmental policy and economics. ³ D. 12-05-032 placed Barsimantov in the 7-12 year expert range per Resolution ALJ-267. In 2013, Barsimantov now has 10 years of experience as an environmental expert, and is thus still within the rate range of 7-12 years. Resolution ALJ-287 sets the rate range for experts with 7-12 years of experience between \$165 and \$280. The rate of \$210 is well within the range of experts with 7-12 years of experience, and reflective of both Barsimantov's years of experience and Commission precedent. As such, the rate of \$210 is adopted for Barsimantov's 2013 work in this proceeding.
3. Dustin Mulvaney's 2013 hourly rate.	Sierra Club requests a step-increase (5%) as well as the application of the 2013 COLA to Mulvaney's last established hourly rate. In 2010,

³ See Decision (D.) 12-05-032 at 15.

	Mulvaney was awarded an hourly rate of \$175 for his work as an expert in D.12-05-032. The rate of \$190 is reflective of Mulvaney's years of experience as an expert in the field of life cycle impacts of renewable energy technologies. ⁴ The rate of \$190 is also consistent with Resolution ALJ-287 and Commission precedent. As such, the rate of \$190 is adopted for Mulvaney for work he completed in 2013 in this proceeding.
4. Robert Freehling's 2013 hourly rate.	Sierra Club requests a step-increase (5%) as well as the application of the 2013 COLA to Freehling's last established hourly rate. Decision 13-10-068 set Freehling's 2011 hourly rate at \$165 per hour by applying a 5% step-increase. D.13-10-068 specified that Freehling would be allowed only to request 1 additional step increase while in the rate range of experts with 7-12 years of experience. For 2013, Freehling is still within the range of experts having 7-12 years of experience. As such, the application of a second 5% step-increase is acceptable. The proposed rate of \$180 per hour for work Freehling completed in 2013 is reflective of his years' of experience, second 5% step-increase, and application of the 2% COLA per Resolution ALJ-267. As such, the rate of \$180 per hour is adopted for Freehling's 2013 work in this proceeding. It should be noted that Sierra Club or Freehling will be unable to request a 5% step-increase until he moves into the expert tier of 13+ years of experience.
5. Adenike Adeyeye's qualifications and rate adoption.	Sierra Club requests a 2012 hourly rate of \$130 and 2013 hourly rate of \$135 for work Adeyeye completed in this proceeding. Adeyeye holds a BA in Environmental Studies from Yale University (2007) and a Masters in Environmental Management from the Yale School of Forestry and Environmental Studies (2011). Adeyeye's education coupled with her work experience ⁵ place her into the expert range tier of 0-6 years of experience per Resolution ALJ-281. Resolution ALJ-281 sets expert ranges with 0-6 years of experience between \$130 and \$190 per hour for 2012. The rate of \$130 per hour for 2012 is reflective of Adeyeye's limited experience in Commission proceedings, and is therefore adopted. For 2013, we apply the 2% COLA to Adeyeye's 2012 rate and adopt the rate of \$135 for work Adeyeye completed in this proceeding.
[A]	Rostov's hours are reduced by 2.6 hours in 2012 and 4 hours in 2013 due to time spent at lunch or attending meetings early.

⁴ See D.12-05-032 at 14.

⁵ Sierra Club provided a detailed resume highlighting Adenike Adeyeye's work and educational experiences in its original Intervenor Compensation Request filing.

[B]	<p>Reductions of 50% to hours spent on Issues F and H. Reduction to time spent on Issue D of 20% for time spent on policy matters not in contention. This results in reductions as follows:</p> <p>Rostvov’s 2012 Hours: 0.335</p> <p>Rostvov’s 2013 Hours: 19.31</p> <p>Barsimantov’s 2013 hours: 1.08</p> <p>Freehing’s 2012 hours: 0.175</p> <p>Freehing’s 2013 hours: 1.075</p> <p>Adeyeye’s 2012 hours: 1.515</p> <p>Adeyeye’s 2013 hours: 14.015</p>
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PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No.
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?	Yes.

FINDINGS OF FACT

1. Sierra Club California has made a substantial contribution to D.13-10-040.
2. The requested hourly rates for Sierra Club California’s representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$138,065.30.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Sierra Club California shall be awarded \$138,065.30.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall pay Sierra Club California their respective shares of the award based on their California-jurisdictional electric revenues for the 2012 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning March 5, 2014, the 75th day after the filing of Sierra Club California's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D1310040		
Proceeding(s):	R1012007		
Author:	ALJ Yip-Kikugawa and ALJ Kersten		
Payer(s):	Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/ Disallowance
Sierra Club California (Sierra Club)	12/20/2013; <i>Amended on</i> 1/8/2014	\$150,743.75	\$138,065.30	N/A	N/A

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
William	Rostov	Attorney	Sierra Club	\$360	2012	\$360
William	Rostov	Attorney	Sierra Club	\$390	2013	\$390
James	Barsimanto v	Expert	Sierra Club	\$210	2013	\$210
Dustin	Mulvaney	Expert	Sierra Club	\$190	2013	\$190
Robert	Freehling	Expert	Sierra Club	\$165	2012	\$165
Robert	Freehling	Expert	Sierra Club	\$180	2013	\$180
Adenike	Adeyeye	Expert	Sierra Club	\$130	2012	\$130
Adenike	Adeyeye	Expert	Sierra Club	\$135	2013	\$135

(END OF APPENDIX)