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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)

**ADMINISTRATIVE LAW JUDGE'S RULING
ENTERING DOCUMENTS INTO RECORD AND SEEKING COMMENTS**

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

The Assigned Commissioner and Administrative Law Judge (ALJ) issued their Scoping Memo and Ruling (Scoping Memo) on May 31, 2011. The Scoping Memo divided the proceeding into two phases, with the first phase considering the overall policies and guidelines for ESS. It is envisioned that Phase 1 may be resolved through a series of workshops, along with written comments and replies.

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

On June 28, 2011, a workshop was held to consider ESS currently in use and the barriers and impediments to further widespread use of storage. During the workshop, formal presentations were made by:

1. California Energy Commission (Attachment A)
2. California Independent System Operator (Attachment B)
3. Southern California Edison Company (Attachment C)
4. California Energy Storage Alliance (Attachment D)

The following parties also asked and were provided an opportunity to make presentations:

1. AES Energy Storage (Attachment E)
2. Beacon Power Corporation (Attachment F)
3. KSEngineers (Attachment G)

In addition to the presentations, Commission Staff presented talking points concerning potential barriers and whether these barriers could be addressed at the Commission.

This Ruling enters the formal and party presentations, contained in Attachments A - G listed above, into the record of this proceeding. Parties are asked to comment on whether they agree or disagree with these presentations. Additionally, this Ruling seeks comments from parties to the following questions:

1. Which barrier(s), either identified by the presenters or the CPUC, do you believe present the greatest impediment to more widespread usage of energy storage and development of ESS in California?
2. Are there other barriers that were not identified during the workshop? Please explain how these other barriers impede the usage or development of energy storage and whether they need

to be resolved at the Commission or other forums. To what extent can the Commission assist in removing these barriers?

3. In your opinion, are there certain barriers that need to be resolved first, and therefore have higher priority?

IT IS RULED that:

1. The formal and party presentations, contained as Attachments A - G of this Ruling, are entered into the record.

2. Parties may comment on the presentations and respond to the questions presented in this Ruling. Parties wishing to file comments shall do so by August 29, 2011. Reply comments shall be filed by September 16, 2011.

Dated July 21, 2011, at San Francisco, California.

/s/ AMY YIP-KIKUGAWA

Amy C. Yip-Kikugawa
Administrative Law Judge