

BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA



**FILED**  
07-18-12  
04:59 PM

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

R.10-12-007  
(Filed December 16, 2010)

**COMMENTS OF DIVISION OF RATEPAYER ADVOCATES  
ON THE PROPOSED DECISION ADOPTING  
PROPOSED FRAMEWORK FOR ANALYZING  
ENERGY STORAGE NEEDS**

**FARZAD GHAZZAGH**  
Analyst  
Division of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Ave.  
San Francisco, CA 94102  
Phone: (415) 703-1694  
Fax: (415) 703- 2262  
E-mail: [fxg@cpuc.ca.gov](mailto:fxg@cpuc.ca.gov)

**Sarah R. Thomas**  
Attorney for  
Division of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Ave.  
San Francisco, CA 94102  
Phone: (415) 703-2310  
Email: [srt@cpuc.ca.gov](mailto:srt@cpuc.ca.gov)

July 18, 2012

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.

R.10-12-007  
(Filed December 16, 2010)

**COMMENTS OF DIVISION OF RATEPAYER ADVOCATES  
ON THE PROPOSED DECISION ADOPTING  
PROPOSED FRAMEWORK FOR ANALYZING  
ENERGY STORAGE NEEDS**

The Division of Ratepayer Advocates (DRA) provides the following comments on the Proposed Decision (PD) Adopting Proposed Framework for Analyzing Energy Storage Needs, dated July 2, 2012. With a few minor changes, DRA supports the PD – which adopts the Energy Storage Framework Staff Proposal submitted by Energy Division Staff on March 31, 2012 (Staff Proposal) – in its entirety.

The first very minor change is to request that language be modified to make clear that targets for storage may not be necessary. DRA has taken the position over the duration of this case that neither Assembly Bill 2514 (Stats. 2010, ch. 469) nor the factual record support adopting a set target of storage, or its inclusion in the loading order. The PD does not set any such targets. However, by stating (at p. 29) that “this approach will allow us to determine the need for storage in relevant situations and set targets, if necessary, to meet this need,” the PD gives more credence to the idea of targets than is merited. DRA suggests the PD add a sentence thereafter stating, “Under AB 2514, of course, we are not obligated to set targets for energy storage, and we will not do so if the record does not support such action.”

The second minor change relates to the Staff Proposal, Attachment A to the PD. Because of when the Staff Proposal was issued, it cites the now-closed predecessor Long Term Procurement Proceeding (LTPP), Rulemaking (R.)10-05-006 as the place in which the Commission will issue a decision on electric system needs. DRA suggests the PD explain that the Commission has opened a new proceeding, R.12-03-014, to examine this issue.

On a more substantive note, DRA notes that the Staff Proposal (p. 8) suggests a cost-effectiveness review of Energy Storage akin to the methodology update performed for Energy Efficiency, Distributed Generation and Demand Response. The cost-effectiveness changes in those areas have not been without controversy. DRA suggests, therefore, that section 4.2.5 of the PD, which discusses adoption of a cost-effectiveness evaluation method, include a note making clear that the parties will have ample opportunity to comment on any substantive cost-effectiveness proposal, which might include workshops as well as consideration of the records in Energy Efficiency, Distributed Generation and Demand Response dockets before adopting a methodology.

DRA may have reply comments, but commends Staff and the Administrative Law Judge on the results of their analysis.

Respectfully submitted,

/s/ Sarah R. Thomas

---

Sarah R. Thomas

Staff Counsel  
Division of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-2310  
srt@cpuc.ca.gov

July 18, 2012