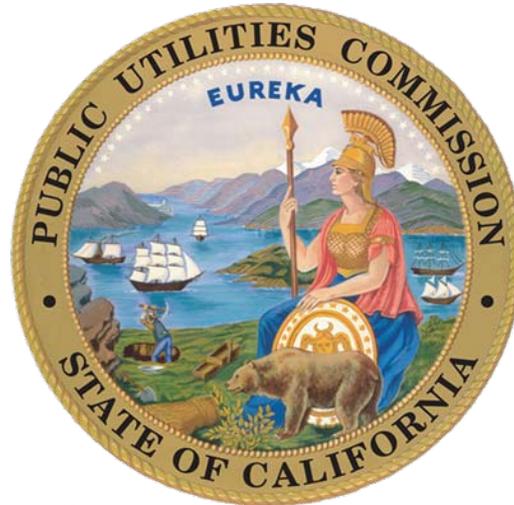




# Energy Storage Activities at CPUC



***Rulemaking 10-12-007 to Implement Assembly Bill 2514***

**California Public Utilities Commission**

Rebecca Lee

October 5, 2011 at Berkeley Law Center for Law, Energy & the Environment





# Timeline for the Energy Storage Rulemaking





# The most recent activity parties submitting comments identifying barriers to energy storage deployment

## Preliminary barriers identified by stakeholders:

1. Lack of definitive electric system needs
2. Lack of cohesive regulatory framework
3. Lack of cost-effectiveness evaluation methods
4. Evolving markets and market product definitions
5. Resource adequacy accounting
6. Lack of cost recovery policy (cost-based or market-based)
7. Lack of cost transparency
  - a) Wholesale price signals
  - b) Retail price signals
8. Lack of commercial operating experience
9. Lack of well-defined interconnection process





## A few recurring themes emerged

- Several stakeholders proposed **using a framework** based on “application” and “operational use” of storage. Similar frameworks are also being used by other entities, such as EPRI, in their analysis of the energy storage market.
- There is still an open question regarding whether energy storage has a **value in its own right**, across all applications and operational uses.
- The variety of possible applications and operational uses of energy storage makes **cost/benefit analysis** particularly challenging.
- There are many different points of view regarding whether **procurement targets** would be beneficial.
- Different **types of energy storage** add another layer of complexity, as maturity varies drastically depending on the technology. Additionally, different types of storage enable different applications and operational uses.





## Upcoming steps to move forward

- Developing a staff proposal on an energy storage policy framework
- Coordination with other proceedings
  - Long-term procurement planning
  - Resource adequacy
  - Renewable portfolio standard implementation
  - Demand-side management
  - Interconnection reform
- Coordination with other agencies (CAISO, FERC, CEC, etc)
- Narrowing in on the actionable goals and how to achieve them
- Developing a work plan for how energy storage will be addressed throughout the CPUC organization





**Thank you. Please stayed tuned!**

