BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

A.15-12-004 (Filed December 1, 2015)

RESPONSE OF THE CALIFORNIA ENERGY STORAGE ALLIANCE TO APPLICATION OF PACIFIC GAS & ELECTRIC COMPANY FOR APPROVAL OF AGREEMENTS RESULTING FROM ITS 2014-2015 ENERGY STORAGE SOLICITATION AND RELATED COST RECOVERY

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January 15, 2016

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Pursuant to the Commission's Rules of Practice and Procedure, the California Energy Storage Alliance ("CESA")¹ hereby submit this response to the application of Pacific Gas & Electric Company ("PG&E") for approval of agreements resulting from its 2014-2015 energy storage solicitation and associated cost recovery ("Application"). Pursuant to the December 22, 2015, *E-Mail Ruling Granting Request for Extension of Time to Respond to Applications (A.)15-12-003 and A.15-12-004*, issued by Administrative Law Judges Julie M. Halligan and Regina DeAngelis, this protest is timely filed.

I. RESPONSE TO APPLICATION

CESA strongly supports the Application by PG&E and encourages the speedy approval of the selected agreements. CESA believes PG&E's process for outreach, contracting, and

¹ 1 Energy Systems Inc., Advanced Microgrid Solutions, AES Energy Storage, Aquion Energy, Brookfield, CODA Energy, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Dynapower Company, LLC, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, ELSYS Inc., eMotorWerks, Energy Storage Systems, Inc., Enersys, Enphase Energy, EV Grid, GE Energy Storage, Geli, Gordon & Rees LLP, Green Charge Networks, Greensmith Energy, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, Imergy Power Systems, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, JuiceBox Energy, K&L Gates, LG Chem Power, Inc., LightSail Energy, Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Mitsubishi Corporation (Americas), Mobile Solar, NEC Energy Solutions, Inc., NextEra Energy Resources, NRG Solar LLC, OutBack Power Technologies, Panasonic, Parker Hannifin Corporation, Powertree Services Inc., Primus Power Corporation, Princeton Power Systems, Recurrent Energy, Renewable Energy Systems Americas Inc., S&C Electric Company, Saft America Inc., Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Sony Corporation of America, Sovereign Energy, Stem, SunEdison, SunPower, Toshiba International Corporation, Trimark Associates, Inc., Trina Energy Storage, Tri-Technic, Wellhead Electric. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (http://storagealliance.org).

valuation is extensive, reasonable, and fair to warrant approval of the Application. Delay in approving the Application would be unnecessary and potentially discourage bidders from submitting competitive applications in future solicitations. In this response, CESA reserves the right to address points made by others as appropriate in reply comments, and expressly refrains

from comment on topics that will be fully addressed by others.

CESA focuses sole specific comment here on the problematic definition of "station use" in PG&E's *pro forma* Energy Storage Agreements ("ESA") used in its 2014-2015 energy storage solicitation.² PG&E mistakenly defines many of an energy storage system's non-discretionary loads as station use, leading to discriminatory rate treatment of energy storage devices. CESA understands that definitions, rules, guidelines, and rate implications of station power will be addressed in Track 2 of the Energy Storage proceeding (R.15-03-011) in 2016 and does *not* seek to impede approval of the Application here. Rather, CESA urges the Commission to clarify that the approval of the Application is not deemed precedent-setting with regard to station power rules because that matter will be explicitly considered in Track 2 of R.15-03-011.

II. <u>CONCLUSION</u>

CESA appreciates the opportunity to submit this Response to the Application and looks forward to working with PG&E, other parties, and the Commission in this proceeding.

Respectfully submitted,

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CALIFORNIA ENERGY STORAGE ALLIANCE

January 15, 2016

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² PG&E pro forma Energy Storage Agreement, Section 6.2 and 7.1a.