



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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Dana S. Appling, Director

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April 8, 2010

Honorable Nancy Skinner
California State Assembly
State Capitol, Room 4126
Sacramento, CA 95814

RE: AB 2514 (Skinner) – Oppose unless amended

Dear Assemblymember Skinner:

The Division of Ratepayer Advocates (DRA) is the independent consumer advocacy division of the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA opposes unless amended your AB 2514, which would, among other things, require the investor-owned utilities to develop plans and procure energy storage systems, as specified.

DRA recognizes the potential environmental and ratepayer benefits of energy storage. Being able to store renewable energy and use it at the most optimal times will greatly reduce our reliance on fossil fuels, overcome the intermittent nature of renewable energy and hopefully reduce the need to build or upgrade transmission lines. The environment and ratepayers will undoubtedly benefit if this is achievable. However, we are concerned that the feasibility and cost to develop and implement storage technology at the quantities expected may not be cost effective for ratepayers in the time frame and quantities required by this bill.

DRA suggests the California Energy Commission's Integrated Energy Policy Report (IEPR) reporting requirements be strengthened to (i) focus on the cost-effectiveness and feasibility of large-scale energy storage technologies and (ii) evaluate the integration of energy storage into California's energy loading order to determine how this technology will affect the most cost effective achievement of our energy and environmental goals. We also suggest that we take a step back from establishing hard and fast dates to incorporate this technology into our energy systems and make any future actions on energy storage be predicated on the IEPR's cost-effectiveness and feasibility findings. This way we will have the necessary cost and benefit information to effectively determine if this is in the best interest of ratepayers as well as the "state economy, general welfare, public health and safety, energy diversity, and protection of the environment". We look forward to working with you and interested stakeholders to study the cost effectiveness and feasibility of energy storage.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Director Matthew Marcus, at (916) 327-3455 or me at (415) 703-2544.

Respectfully,

Dana S. Appling, Director

The Voice of Consumers, Making a Difference!

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