

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 14-0147

WHEREAS, The California Legislature, in enacting Assembly Bill (AB)2514 (*Stats. 2010, Ch. 469*) found that expanding the use of energy storage systems could assist California in optimizing the operation of the electric grid, integrating increased amounts of renewable energy (such as solar and wind) resources, help California meet its greenhouse gas reduction goals emissions and potentially reduce costs to ratepayers by avoiding or deferring the need for new fossil-fueled power plants and electric transmission and distribution system upgrades; and

WHEREAS, Energy storage systems are defined in AB2514 as “commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy” using “either mechanical, chemical or thermal processes” (Public Utilities Code Section 2835(a)); and

WHEREAS, AB2514 requires that by October 1, 2014 “the governing board of each local publicly owned electric utility shall determine appropriate targets, if any, for the utility to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020”; and

WHEREAS, In response to this legislative requirement, SFPUC staff examined the potential to utilize cost-effective electric storage as part of the SFPUC’s electric operations and have summarized their findings and conclusions in the attached report entitled “Analysis and Recommendations Regarding Energy Storage Procurement Policy Pursuant to Assembly Bill (AB) 2514” (SFPUC Energy Storage Report); and

WHEREAS, The SFPUC Energy Storage Report concluded that the SFPUC has no near-term need for energy storage services apart from the potential use of energy storage to fulfill Local Resource Adequacy Capacity requirements which is not cost-effective at this time; and

WHEREAS, The SFPUC Energy Storage Report concluded that there may be benefits to pursuing a pilot energy storage project to better understand the costs and potential benefits of energy storage as well as the issues associated with their development and operation; and

WHEREAS, Development of a pilot storage program is consistent with the goals of San Francisco’s 2011 Updated Electricity Resource Plan (as adopted by the Commission in Resolution 11-0035 and the Board of Supervisors in Resolution 349-11) to develop San Francisco as a “green test bed” for new energy technologies and to encourage the use of electric storage “as an alternative to the existing use of diesel and natural-gas powered back-up generation;” and

WHEREAS, SFPUC staff will continue to evaluate the benefits of electric storage and will report back to the Commission both as necessary and in time for the Commission to re-

evaluate (as required by AB2514) its adopted storage targets on or before October 1, 2017; now, therefore, be it

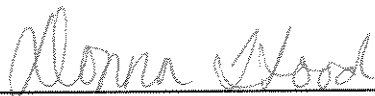
RESOLVED, That the Commission approves the recommendations contained in the SFPUC Energy Storage Report (attached to this Resolution); and be it

FURTHER RESOLVED, That the Commission concludes that it is not cost-effective for the SFPUC to adopt an electric storage procurement target at this time; and be it

FURTHER RESOLVED, That the SFPUC should continue to evaluate energy storage as a procurement option and should treat it equally against other energy technologies and resources for purposes of fulfilling the SFPUC's on-going procurement needs; and be it

FURTHER RESOLVED, That the Commission directs the General Manager to: 1) identify opportunities to develop a pilot energy storage system at a high-value site in San Francisco consistent with the guidelines contained in the SFPUC Energy Storage Report; and 2) report back to the Commission annually regarding further evaluation of electric storage technology and its potential for meeting the SFPUC's energy procurement needs.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of September 23, 2014.



Secretary, Public Utilities Commission