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Richard Vial, President * Fred Nagel, V.P. * Jess Urionaguena, Treasurer * Jay Dow, Director * H.W. "Bud" Bowden, Director

October 29, 2014

Mr. John Mathias
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

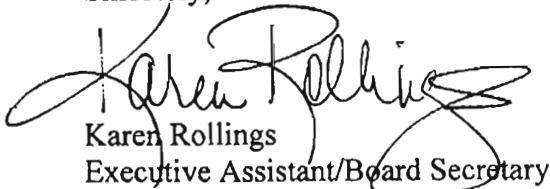
RE: AB 2514 Energy Storage Targets

Dear Mr. Mathias:

In compliance with AB 2514, enclosed you will find copies of Lassen Municipal Utility District's Staff Report and Resolution #2014-06 which were presented to, and adopted by, our Board of Directors on September 23, 2014.

If you have any questions, please feel free to contact Doug Smith, Assistant General Manager, or Theresa Phillips, Energy Services Manager at (530) 257-4174.


Sincerely,


Karen Rollings
Executive Assistant/Board Secretary

Enclosures

Cc: Doug Smith
Theresa Phillips

LMUD AGENDA ITEM NO. 11 SUMMARY SHEET

TO: BOARD
FROM: Doug Smith, Assistant General Manager
DATE: September 18, 2014
SUBJECT: AB-2514 re Energy Storage Technology
OK'd BY GM: 

To be submitted to the Board for consideration on: September 23, 2014

SUMMARY OF ITEM:

Assembly Bill 2514 requires local publicly owned utilities to analyze the feasibility of implementing energy storage technologies and to adopt targets for said implementation, if appropriate, by October 1, 2014. Staff has investigated available technologies, relying primarily on an Electric Power Research Institute report (*DOE/EPRI 2013 Electricity Storage Handbook in Collaboration with NRECA*).

Currently available technologies analyzed in the report have levelized costs ranging from about \$150/MWH to as high as \$1000/MWH. Some not yet mature technologies are projected to have costs in the neighborhood of \$50-\$100/MWH. These costs are independent of, and in addition to, the cost of generating or purchasing the energy that would be stored.

The primary anticipated uses of energy storage are to help integrate intermittent renewable energy resources and/or to provide voltage and frequency stabilization to the grid. LMUD does not currently have a pressing need in these areas, and given the currently high cost of energy storage technologies, it is staff's recommendation that LMUD not pursue energy storage implementation at this time.

ACTION REQUESTED AND/OR STAFF RECOMMENDATION:

Approve RESOLUTION NO. 2014-06, declaring energy storage technologies uneconomical for LMUD at this time.

COMMITTEE ACTION:

Committee reviewed above information on: _____ Not Applicable

Committee concurs does not concur with recommendation.

LEGAL COUNSEL REVIEWED AND APPROVED ON: N/A

ADDITIONAL PREVIOUS RELEVANT INFORMATION OR ACTION :

See Above

See Attached

BUDGET INFORMATION FOR SPECIFIC EXPENDITURES:

N/A

Program /Project:

G/L No. and Name:

Within Budget: Yes No

If No:

Transfer: Augmentation: Amount \$
From: To:

Other:

RESOLUTION NO. 2014-06

**A RESOLUTION OF THE LASSEN MUNICIPAL UTILITY DISTRICT
CONCERNING THE FEASIBILITY OF ENERGY STORAGE TECHNOLOGIES**

WHEREAS, the Lassen Municipal Utility District (LMUD) is a publicly owned municipal utility district organized under California's Municipal Utility District Act (Public Utilities Code § 11501, *et seq.*) and provides retail electrical services to its customers/owners, and wheels wholesale power for power producers located within Lassen County, California;

WHEREAS, California Assembly Bill 2514 requires local publicly owned utilities to analyze the feasibility of implementing energy storage technologies and to adopt targets for said implementation, if appropriate, by October 1, 2014; and

WHEREAS, staff at LMUD has reviewed a report by the Department of Energy and the Electric Power Research Institute entitled "DOE/EPRI 2013 Electricity Storage Handbook in Collaboration with NRECA" and found that currently available energy storage technologies are very expensive relative to LMUD's current energy resources; and

WHEREAS, LMUD does not have a pressing need to implement energy storage solutions on its system given its current mix of resources; and

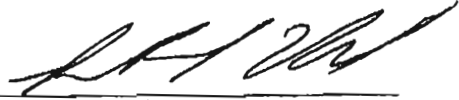
WHEREAS, implementation of energy storage technologies would unnecessarily burden LMUD's customers with higher costs;

NOW, THEREFORE, BE IT RESOLVED that the Lassen Municipal Utility District Board of Directors does hereby support the staff assessment that energy storage systems are not economically viable for Lassen Municipal Utility District and its customers at this time.

The foregoing Resolution was duly and regularly **passed and adopted** by the Board of Directors of the Lassen Municipal Utility District at a regular meeting of said Board duly noticed and held on the 23 day of September, 2014, as follows:


AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTIONS:	<u>0</u>

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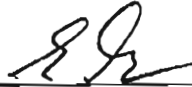
Richard Vial, President of the
Board of Directors of the Lassen
Municipal Utility District

ATTEST:



Karen Rollings, Board Secretary,
Lassen Municipal Utility District

APPROVED AS TO FORM:



Eugene Chittock, General Counsel