



City of Anaheim PUBLIC UTILITIES DEPARTMENT

November 15, 2016

John Mathias
California Energy Commission
1516 Ninth Street MS-20
Sacramento, CA 95814
John.Mathias@energy.ca.gov

RE: City of Anaheim AB 2514 Compliance Filing Regarding Energy Storage Systems
Procurement Target

Dear Mr. Mathias:

Pursuant to the requirements of Assembly Bill (AB) 2514 (Skinner, Chapter 469, Statutes of 2010), the City of Anaheim (Anaheim) hereby submits this report to the California Energy Commission (CEC) regarding its compliance with the energy storage (ES) system procurement targets and policies adopted by the Anaheim City Council.

On August 12, 2014, the Anaheim City Council determined, consistent with the Anaheim Public Utilities Department's (Department) evaluation, that the adoption of procurement targets for ES systems for either December 31, 2016 or December 31, 2021 was not appropriate due to lack of cost-effective energy storage system options. Therefore, no AB 2514 ES targets were set for 2016 or 2021. Please see Anaheim's Energy Storage Resolution No. 2014-146, Staff Report, and Energy Storage System Plan for the detailed evaluation on the CEC website at http://www.energy.ca.gov/assessments/ab2514_reports/City_of_Anaheim/. Consistent with the 2014 Anaheim City Council ES procurement targets determination, the Department has not made any new ES commitments to date, for the reasons stated in the Resolution and ES System Plan.

The Department continues to evaluate advances in ES systems and closely monitors other utilities' investments in ES systems. The Department also re-examined ES technologies, opportunities, and feasibilities through a recent study conducted in April 2016 by Leidos, a third-party consulting firm. Based on the study's findings, the Department has not altered its earlier determination that there are no cost-effective or viable ES opportunities for Anaheim at this time. The Leidos study echoed the Department's previous findings, i.e., a lack of ES cost-effectiveness, space limitations, existing peak reduction, sufficient reliability, and inadequate technology.

In anticipation of the next AB 2514 compliance filing in October 2017, the Department is collaborating with other municipalities and the Southern California Public Power Authority's Energy Storage and Renewable Working Groups to actively review new and existing technologies for any ES pilot project opportunity. Additionally, the Department continues to closely monitor other utilities' ES projects and offer customer choice programs that encourage energy consumption during off-peak hours.

Please contact Wei Tsao (wtsao@anaheim.net, 714-765-4453), Integrated Resources Planner, with any questions about Anaheim's ES System Plan or procurement target determinations.

Sincerely,

Dukku Lee
Public Utilities General Manager
City of Anaheim