



## COUNCIL COMMUNICATION

# 6377

City Clerk Use Only

**DATE:** August 26, 2014

**TITLE:** Energy Storage Procurement Targets

**CONTACT:** Michael Wardell/ 774-5622/ [mwardell@roseville.ca.us](mailto:mwardell@roseville.ca.us)

Meeting Date: October 1, 2014

### SUMMARY RECOMMENDATION

Staff recommends the City Council adopt a resolution stating that energy storage procurement targets are not appropriate at this time for the City of Roseville.

### BACKGROUND

In September 2010, the State enacted Assembly Bill 2514. This law requires publically owned utilities to determine appropriate procurement targets (if any) for cost-effective energy storage systems. An energy storage system is defined as "commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy." Additionally, an energy storage system "shall be cost-effective" under this legislation.

In March 2013, the City Council adopted a resolution directing Roseville Electric to begin a process to determine and recommend energy storage targets as defined by AB 2514. The law specifically requires procurement targets be considered and, if appropriate, be established for the periods ending December 31, 2016 and December 31, 2021.

Staff has reviewed the "2013 Electricity Storage Handbook", published by the Department of Energy and Electrical Power Research Institute as a detailed guide to the energy storage industry. The handbook provides cost-benefit analyses of various leading storage systems. The data compares energy delivery from storage systems to energy delivered from natural gas fueled resources, similar to the Roseville Energy Park. Staff concluded current storage technologies are 2 to 10 times higher cost than energy from Roseville's existing portfolio of resources. In addition, the extent of application benefits remains unproven. Therefore energy storage procurement targets are not appropriate at this time. Staff recognizes that both the energy market and storage technologies are evolving and will continue to evaluate storage system procurement under the law.

This Council Communication and the proposed resolution fulfill the regulatory requirement of AB 2514. Roseville Electric staff will continue to assess energy storage technology.

### FISCAL IMPACT

There is no fiscal impact.

Routing Approval:

ACM GP FIN NA IT BATTY

### AGENDA ITEM

# 6.8



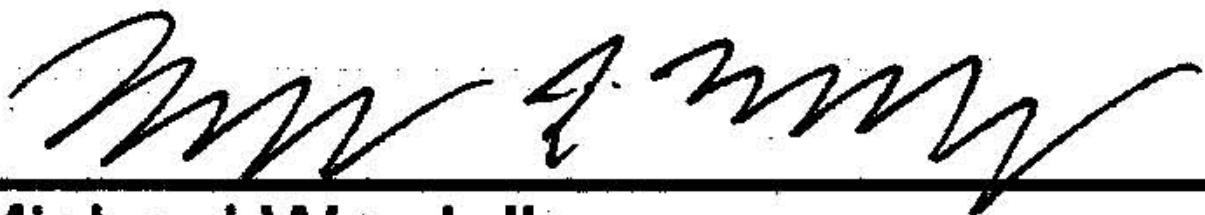
**ECONOMIC DEVELOPMENT/JOBS CREATED**

Not applicable.

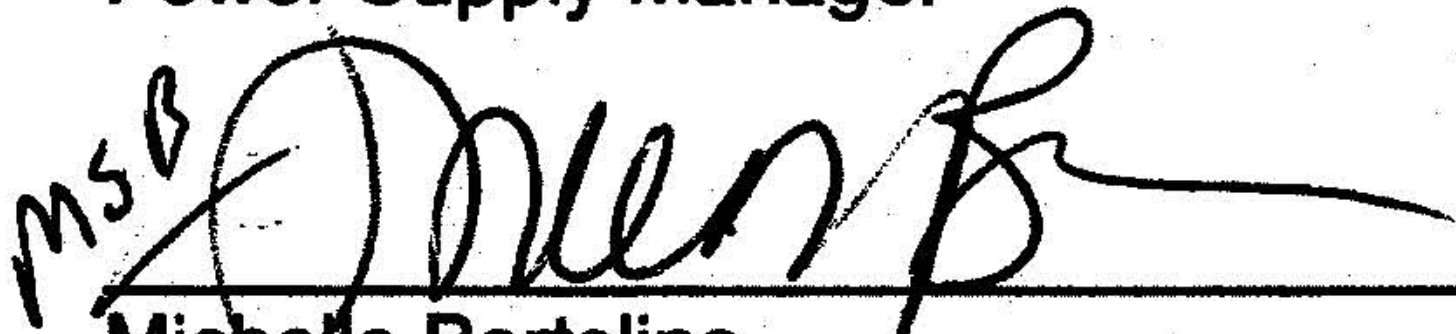
**ENVIRONMENTAL REVIEW**

This item is not considered a "project" as defined by the California Environmental Quality Act (CEQA). Consequently, no CEQA action is required.

Respectfully submitted,



Michael Wardell  
Power Supply Manager



Michelle Bertolino  
Electric Utility Director

**APPROVED:**



Ray Kerridge  
City Manager

RESOLUTION NO. 14-424

STATING THAT ENERGY STORAGE PROCUREMENT TARGETS ARE NOT APPROPRIATE AT THIS TIME FOR THE CITY OF ROSEVILLE

WHEREAS, in September 2010, the State enacted Assembly Bill 2514 requiring publicly owned utilities to determine appropriate procurement targets for cost-effective energy storage systems; and

WHEREAS, in March 2013, the City Council adopted a resolution directing Roseville Electric to begin a process to determine and recommend energy storage targets as defined by AB 2514; and

WHEREAS, staff has reviewed the "2013 Electricity Storage Handbook" which provides cost-benefit analyses of various leading storage systems; and

WHEREAS, staff concluded current storage technologies are 2 to 10 times higher cost than energy from Roseville's existing portfolio of resources;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville that energy storage procurement targets are not appropriate at this time for the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this \_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote on roll call:

AYES            COUNCILMEMBERS:  
NOES            COUNCILMEMBERS:  
ABSENT        COUNCILMEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
City Clerk