



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt Resolution Regarding the Viability of Energy Storage for the City of Lodi

**MEETING DATE:** October 16, 2013

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** Adopt a resolution regarding the viability of energy storage for the City of Lodi.

**BACKGROUND INFORMATION:** On March 21, 2012, the City Council approved a resolution acknowledging the City of Lodi's obligation regarding energy storage systems as defined under California law (Assembly Bill 2514). Energy storage system means commercially available technology that is capable of absorbing energy, storing it for a period of time and then discharging it for use. On October 17, 2012, staff presented City Council with an update on progress regarding research into energy storage.

The law requires the California Public Utilities Commission to open proceedings to determine appropriate targets, if any, for each load-serving entity to procure viable and cost-effective energy storage systems. For municipal service providers, the law requires the governing board of each local utility to initiate a process for determining targets for energy storage systems.

Electric Utility staff has reviewed a report issued by the Electrical Power Research Institute (EPRI) entitled "Electricity Energy Storage Technology Option - A White Paper Primer on Applications, Costs and Benefits." This EPRI report included information from technology assessments, market analysis, input from energy storage system vendors, and application assessments. This detailed report determined that many of the energy storage options outlined have not been fully validated or "vetted," and thus are not "grid-ready" (or ready for electric service providers to pursue or support at this time). The report does conclude that some of the proposals for energy storage may be "grid-ready" by 2015.

To this end, utility staff has closely reviewed the service territory's (city limits of Lodi) load shape, geographic location, type of customers served, and existing generation portfolio to assess the viability of energy storage in Lodi. With a reasonably high load factor, and the current low cost of investment in generation, the economics behind energy storage are not cost effective at this time.

Staff respectfully recommends supporting the resolution submitted, that states at this time, no cost-effective energy storage systems are viable for the Lodi community.

  
Elizabeth A. Kirkley  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Business Development Manager

EAK/RSL/1st

**APPROVED:**   
Konradt Bartlam, City Manager

RESOLUTION NO. 2013-183

A RESOLUTION OF THE LODI CITY COUNCIL  
REGARDING THE VIABILITY OF ENERGY  
STORAGE FOR THE CITY OF LODI

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WHEREAS, on March 21, 2012, the City Council approved a resolution acknowledging the City of Lodi's obligation regarding energy storage systems as defined under California law (Assembly Bill 2514), and on October 17, 2012, staff presented City Council with an update on progress regarding research into energy storage; and

WHEREAS, the law requires the governing board of each publicly-owned utility to initiate a process for determining targets for energy storage systems; and

WHEREAS, staff has reviewed a report issued by the Electrical Power Research Institute (EPRI) entitled "Electricity Energy Storage Technology Option - A White Paper Primer on Applications, Costs and Benefits," and this report determined that many of the energy storage options outlined have not been fully validated, and thus are not "grid-ready"; and

WHEREAS, staff has closely reviewed the service territory's load shape, geographic location, type of customers served, and existing generation portfolio, and with a reasonably high load factor and the current low cost of investment in generation, has determined that the economics behind energy storage deem it not cost-effective at this time.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby support the staff assessment that no cost-effective energy storage systems are viable for the Lodi community at this time.

Dated: October 16, 2013

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I hereby certify that Resolution No. 2013-183 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 16, 2013, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, and Mounce  
NOES: COUNCIL MEMBERS – None  
ABSENT: COUNCIL MEMBERS – Katzakian and Mayor Nakanishi  
ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL-OLSON  
City Clerk