

RESOLUTION NO. 17-09-07

WHEREAS, the State of California has declared that expanding the use of energy storage systems can reduce costs to ratepayers, reduce emissions from fossil fuel generation and enable and accelerate the implementation of more renewable generation and its integration in California's electrical system; and

WHEREAS, Assembly Bill 2514 was enacted on September 20, 2010, requiring that, on or before March 1, 2012, the governing board of each local publicly owned electric utility, including **SMUD**, initiate a process to determine appropriate targets, if any, to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020, which the Board must re-evaluate not less than once every three years; and

WHEREAS, by Resolution 12-03-07, adopted on March 1, 2012, this Board initiated a proceeding under which Staff would consider energy storage options through the integrated resource planning (IRP) process; and

WHEREAS, by Resolution 14-09-02, adopted on September 4, 2014, this Board determined that all energy storage systems, except for pumped hydro storage, were not viable and cost-effective to develop by 2016, and thus did not adopt energy storage procurement targets; and

WHEREAS, Staff has investigated new technologies and business models to identify cost-effective energy storage systems and has found that despite a significant decline in energy storage prices energy storage is not financially viable at this time, but is anticipated to become so in **SMUD's** service territory between 2023 and 2027;

WHEREAS, Staff has determined that the behind-the-meter energy storage market is rich in shared value potential across a range of storage technologies, such as batteries, controllable heat pump water heaters, and commercial thermal energy storage systems;

WHEREAS, Staff recommends that focusing on these behind-the-meter applications over the next three years would ensure **SMUD's** preparedness for designing and executing customer storage offerings for the time when energy storage systems become financially viable;

WHEREAS, for these reasons, set forth more fully in the attached draft AB 2514 Storage Procurement Report, Staff recommends adoption of an energy storage target of 9 megawatts (MW) of behind-the-meter energy storage capacity to be procured by December 31, 2020; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. The Board hereby adopts an energy storage system procurement target of 9 MW to be procured no later than December 31, 2020.

Approved: September 21, 2017

INTRODUCED: DIRECTOR FISHMAN				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
SLATON	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
SHIROMA	X			
KERTH	X			
TAMAYO	X			