AMENDED IN SENATE JUNE 6, 2016

AMENDED IN SENATE SEPTEMBER 4, 2015

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN ASSEMBLY JUNE 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL No. 33

Introduced by Assembly Member Quirk
(Coauthors: Assembly Members Chávez, Jones, and Weber)
(Coauthors: Senators Anderson and Hueso)

December 1, 2014

An act to add Section ~~454.53~~ *2836.8* to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 33, as amended, Quirk. Electrical corporations: ~~procurement plans.~~ *energy storage systems.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. ~~The Public Utilities Act requires the commission to review and adopt an overall procurement plan for each electrical corporation to meet electricity demand for its customers in accordance with specified elements, incentive mechanisms, and objectives. The act requires the commission to review and accept, modify, or reject each electrical corporation's procurement plan and requires that each approved~~

~~procurement plan accomplish specified objectives.~~ *Existing law requires the commission to open a proceeding to determine appropriate targets, if any, for each load-serving entity, as defined, to procure viable and cost-effective energy storage systems to be achieved by December 31, 2015, and December 31, 2020. If determined to be appropriate, the commission is required to adopt the procurement targets, by October 1, 2013, and to reevaluate the determinations not less than once every three years. Pursuant to these requirements the commission adopted Decision 13-10-040 (October 17, 2013), Decision Adopting Energy Storage Procurement Framework and Design Program.*

~~This bill would require the commission, as part of a new or existing proceeding, to determine what role large scale energy storage could play as part of the state's overall strategy for procuring a diverse portfolio of resources and to consider specified factors in making that determination.~~

If, beginning January 1, 2017, the commission increases the targets for a load-serving entity to procure viable and cost-effective energy storage systems, this bill would require the commission to authorize pumped hydroelectric storage facilities of any size that become operational on or after January 1, 2017, to be eligible to meet those requirements, without limit, to the extent that those facilities meet otherwise applicable requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) According to the California Independent System Operator (ISO), the state is experiencing unprecedented changes in the generation, delivery, and consumption of electricity. Along with these changes come challenges for operating the state's electrical grid and resources in the most efficient manner, particularly in terms of timing of generation in relation to the demand for electricity.

(b) As part of the long term procurement planning process at the Public Utilities Commission, the ISO has identified a need for fast-ramping and flexible resources to balance the electrical grid

and mitigate the effects of over-generation from renewable energy resources.

(c) The ISO has identified energy storage, with its unique ability to both utilize excess electricity generated by renewable energy resources and to quickly inject that electricity back onto the electrical grid to meet ramping and peak demand needs, as a part of the new strategy for efficiently operating the electrical grid in a manner that best protects the environment.

(d) Pumped hydroelectric storage, in particular, when constructed in a sufficiently large scale, possesses the characteristics to meet our electrical grid's need for rapid ramping capability and the capacity to utilize over-generation from renewable energy resources.

(e) Even with the recognized need identified by the ISO, there remains a lack of incentive for the state's electrical utilities to procure large pumped hydroelectric energy storage because that procurement does not meet any current utility mandate.

SEC. 2. Section 2836.8 is added to the Public Utilities Code, to read:

2836.8. Beginning January 1, 2017, if the commission increases the targets for a load-serving entity to procure viable and cost-effective energy storage systems, pumped hydroelectric storage facilities of any size that become operational on or after January 1, 2017, shall be eligible without limit to the extent that those facilities meet otherwise applicable requirements.

~~SECTION 1. Section 454.53 is added to the Public Utilities Code, to read:~~

~~454.53. The commission shall, as part of a new or existing proceeding, determine what role, if any, large scale energy storage could play as part of the state's overall strategy for procuring a diverse portfolio of resources and, in making that determination, shall consider factors including, but not limited to, cost-effectiveness, the projected value of renewable integration services, and indirect greenhouse gas emissions reductions over the anticipated life of the large scale energy storage resource.~~

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