

AMENDED IN SENATE JUNE 20, 2016
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 2836.8 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 33, as amended, Quirk. Electrical corporations: energy storage systems.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. 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~~, *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.

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:

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

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

10 (b) As part of the ~~long-term~~ *long-term* procurement planning
11 process at the Public Utilities Commission, the ISO has identified
12 a need for fast-ramping and flexible resources to balance the
13 electrical grid and mitigate the effects of over-generation from
14 renewable energy resources.

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

21 (d) Pumped hydroelectric storage, in particular, when
22 constructed in a sufficiently large scale, possesses the

1 characteristics to meet our electrical grid’s need for rapid ramping
2 capability and the capacity to utilize over-generation from
3 renewable energy resources.

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

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

10 2836.8. (a) Beginning January 1, 2017, if the commission
11 increases the targets for a load-serving entity to procure viable and
12 cost-effective energy storage systems, pumped hydroelectric
13 storage facilities of any size that become operational on or after
14 January 1, 2017, shall be eligible without limit to the extent that
15 those facilities meet otherwise applicable requirements.

16 (b) *Subdivision (a) is declaratory of existing law and does not*
17 *limit the commission’s discretion in developing or adopting targets*
18 *for a load-serving entity to procure viable and cost-effective energy*
19 *storage systems.*