



City of Pittsburg

65 Civic Avenue • Pittsburg, California 94565

October 14, 2020

Supply Analysis Office, Energy Assessments Division
California Energy Commission
1516 Ninth Street, MS 20
Sacramento, CA 95814

Re: Energy Storage Compliance Report Pursuant to California Public Utilities Code Sec. 9506

Dear Sir/Madam:

Pursuant to California Public Utilities Code Section 2836(b)(1), the Pittsburg Power Company Governing Board (PPC Board) has taken the following actions:

- On March 18, 2013, the PPC Board adopted Resolution 13-278 to initiate the proceeding for determining the appropriate Energy Storage Procurement Targets (ESPT). The same resolution also directed staff to research and evaluate the benefits and potential rate impacts from utilization of energy storage systems for its utility operation. PPC operates an electric utility under the name Island Energy on Mare Island in Vallejo, California.
- On September 15, 2014, the PPC Board adopted Resolution 14-302 to establish the first ESPT to be zero megawatts for Island Energy, as none of the viable applications energy storage technologies/solutions were cost-effective for Island Energy's operation. Island Energy has complied with the adopted ESPT goal from January 1, 2015 to December 31, 2017.
- On September 18, 2017, the PPC Board adopted Resolution 17-145 to reevaluate the feasibility and applicability for energy storage technologies, and adopted the ESPT; stating zero megawatts from January 1, 2018 to December 31, 2020, as the energy storage technologies/solution were still not viable nor cost effective for Island Energy's utility operation on Mare Island.

Pittsburg Power Company staff has reviewed energy storage literature, including studies and documents published by industrial organizations, government agencies and independent studies conducted by other publicly owned utilities. These studies have shown that the economic justification of storage technologies remain a concern. PPC staff also reviewed Island Energy's wholesale power purchase data and energy demand profile to assess the benefit and cost of implementing application of energy storage technologies and concluded that energy storage technologies are not viable nor cost effective for Island Energy at this time based on the following:

- As a retail electricity supplier at distribution level, Island Energy has no ability to employ energy storage systems at the generation or transmission level of the power grid.
- Island Energy does not own utility scale renewable energy generation to take advantage of energy storage systems.
- Island Energy's overall load is relatively flat and consistent without significant load swings, which limits the needs for energy storage system.
- Island Energy does not charge Time-of-Use electric rates; therefore, the benefits of pricing differentials of time-of-use provided by energy storage systems would not extend to Island Energy's customers.

Based on the industrial studies and the analysis performed by PPC staff, the applicability of energy storage system to Island Energy is limited at this time. For the compliance period January 1, 2021 to December 31, 2023, PPC reports no change from the previous compliance period.

Some potential benefits of an energy storage system such as distribution system support, has not been fully evaluated under the existing operation practices. With PG&E's Public Safety Power Shutoff events happening more frequently, the benefits of energy storage system such as providing support and stability to distribution system might justify the cost of battery storage systems as the California regulatory environment evolves.

PPC staff will continue to monitor the developments of energy storage technologies and will revise the ESPT for Island Energy when the economics and applicability of energy storage systems become favorable in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Garrett Evans", with a long horizontal flourish extending to the right.

Garrett Evans, Executive Director
Pittsburg Power Company of the City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565