

DOCKETED

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December 29, 2020

Mr. John Mathias
California Energy Commission
1516 Ninth Street, MS-20
Sacramento, CA 95814

**CITY OF UKIAH ELECTRIC UTILITY ENERGY STORAGE COMPLIANCE REPORT PURSUANT TO AB 2514/
AB2227**

Pursuant to Assembly Bill (AB) 2514, as amended by AB 2227 and in accordance with applicable sections of the California Public Utilities code, the City of Ukiah Electric Utility hereby submits this letter to serve as the report due to the California Energy Commission by January 1, 2021 to demonstrate the City of Ukiah Electric Utility's compliance with energy storage procurement targets and policies.

In May 2012, the Ukiah City Council (Council) authorized the Electric Utility Director to initiate a process to determine Ukiah's obligation regarding energy storage systems. In October 2014, the Council adopted Resolution 2014-41 regarding the feasibility of energy storage and supporting staff's assessment that no cost-effective energy storage systems were viable for Ukiah at the time. In December 2017, the Council adopted Resolution 2017-55 once again determining, based on an analysis completed in partnership with the Northern California Power Agency (NCPA), Southern California Public Power Authority (SCPPA), and a contracted energy consultant, that no cost-effective energy storage systems were viable at the time.

NCPA, on behalf of several utilities including City of Ukiah, recently contracted with the Smart Electric Power Alliance (SEPA) to re-evaluate the costs and benefits of energy storage systems. SEPA's analysis concluded that no foreseeable battery costs reductions or retail rate increases would make energy storage systems economical for Ukiah under current market conditions. Therefore, on December 16, 2020, the Council adopted Resolution 2020-__ that concludes that no cost-effective energy storage technology is viable to invest in at this time for the City of Ukiah.

The City of Ukiah will continue to evaluate the feasibility of energy storage projects and technologies, and will consider procurement opportunities should they become cost-effective.

Should you have any questions or require additional information, please contact Mel Grandi, Electric Utility Director at (707) 463-6295.

Sincerely,

Mel Grandi
Electric Utility Director

RESOLUTION NO. 2020-69

A RESOLUTION OF THE UKIAH CITY COUNCIL REGARDING EVALUATION OF ENERGY STORAGE FOR THE CITY OF UKIAH ELECTRIC UTILITY

WHEREAS, pursuant to Assembly Bill 2514, as amended by Assembly Bill 227, each local publicly-owned electric utility (POU) must initiate a process to determine appropriate target, if any, for the utility to procure viable and cost-effective energy storage systems and adopt said targets, if determined appropriate, by 2014; and

WHEREAS, each POU is then required to reevaluate its energy storage target determinations not less than every three years and report to the California Energy Commission (CEC), any applicable adopted targets and modifications to those targets as a result of the periodic evaluations; and

WHEREAS, each POU is also required to submit reports to the CEC demonstrating that it has complied with any previously-adopted energy storage target; and

WHEREAS, on May 16, 2012, the City Council authorized the Electric Utility Director to initiate a process to determine Ukiah's obligation regarding energy storage systems; and

WHEREAS, October 15, 2014, the City Council adopted Resolution 2014-41 regarding the feasibility of energy storage and supporting staff's assessment that no cost-effective energy storage systems were viable for Ukiah at the time; and

WHEREAS, on December 6, 2017, the City Council adopted Resolution 2017-55 once again determining, based on an analysis completed in partnership with the Northern California Power Agency (NCPA), Southern California Public Power Authority (SCPPA), and a contracted energy consultant, that no cost-effective energy storage systems were viable at that time; and

WHEREAS, NCPA, on behalf of several utilities including City of Ukiah, recently contracted with the Smart Electric Power Alliance (SEPA) to re-evaluate the costs and benefits of energy storage systems; and

WHEREAS, SEPA's analysis concluded that no foreseeable battery costs reductions or retail rate increases would make energy storage systems economical for Ukiah under current market conditions; and

WHEREAS, the City of Ukiah continues to maintain that energy storage is not a viable or cost-effective technology to invest in at this time.

NOW, THEREFORE, BE IT RESOLVED that the Ukiah City Council does hereby conclude that, by adoption of this resolution, no cost-effective energy storage technology is viable to invest in at this time for Ukiah.

PASSED AND ADOPTED this 16th day of December, 2020 by the following roll call vote:

AYES: Councilmembers Crane, Duenas, Mulheren, Brown, and Mayor Orozco
NOES: None
ABSTAIN: None
ABSENT: None



Juan V. Orozco, Mayor

ATTEST:



Kristine Lawler, City Clerk