



June 15, 2012

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Docket No. 12-IEP-1D

DOCKET

12-IEP-1D

DATE June 15 2012

RECD. June 15 2012

Subject: Workshop on Strategies to Minimize Renewable Integration Costs and Requirements and Improve Integration Technologies

Eagle Crest Energy is a member of the Coalition to Advance Renewable Energy through Bulk Storage (“CAREBS”) and we endorse the comments of CAREBS filed on June 11, 2012 in this workshop.

Eagle Crest wishes to stress the importance of the “**balancing function**” identified in the CAREBS comments as the only comprehensive approach presented to date that would allow the State of California to take proactive measures that recognize the significant future impacts on grid reliability, carbon mandates and system costs from the large amounts of renewable energy necessary to meet the State’s RPS mandate as well as the potential retirement of a number of fossil fuel power stations.

In order to develop, construct and operate the facilities which can provide this “**balancing function**”, developers, operators and financial institutions need some assurance of cost recovery (such as long term contracts for non-utility developers) to commit the capital required to build and operate these facilities. If the “**balancing function**” is properly defined and cost recovery is allowed in a manner consistent with the cost recovery principles outlined in FERC Order 1000 for multi-value transmission projects, Eagle Crest believes that no mandate or subsidy will be required to meet the State’s need for balancing resources.