



January 24, 2013

Subject: Need for Greater Focus on Cost Effective Energy Storage in 2013 IEPR

Alton Energy, Inc and Bison Peak Pumped Storage LLC are pleased to submit these timely comments to the 2013 IEPR Scoping Order.

Alton Energy and Bison Peak Pumped Storage intend to participate and submit testimony into the 2013 IEPR Proceeding to support an orderly and timely transition to a cost effective, more reliable, cleaner, and lower carbon energy future for the energy supply mix serving the needs of California.

A major concern toward achieving these goals is that a larger scale and faster time line than currently contemplated in the IEPR and other current processes is needed in order to achieve the benefits and performance available from the most Cost Effective, Reliable, and Dispatchable Supply of Clean Energy. It appears that in order to meet the requirements of AB32 and AB2514, that a far more aggressive advancement of the Policy and Regulatory Process to facilitate large scale procurement goals of energy storage is essential. The 2013 IEPR should evaluate such, and facilitate and encourage timely achievement of Bulk Storage and Distributed Storage in larger capacities.

Over the last ten years, substantial Planning for clean resources has progressed into substantial energy facilities in California now in commercial operation, contributing to a much more reliable Transmission Grid, and substantial Generation of Sustainable Zero Carbon Renewable Energy. Among the most important new resources already in place just in the Tehachapi Area alone, as a successful example, includes:

- 4,500 MW Tehachapi Renewable Transmission Project
- 2,000 MW to 3,000 MW of Zero Carbon Intermittent Generation
- Potential for Several Thousand more MW of Additional Zero Carbon Energy

At the same time, we have seen events that place at risk the recent progress in reducing the GHG content of the overall California Energy Mix. These include:

- Likely Near-Term Loss of some or all of the ~2,000 MW of Zero Carbon Energy from the SONGS Generator.
- Established Policies and Regulatory initiatives to Replace most of the over 10,000 MW of Once Thru Cooling (OTC) Generation with more efficient Carbon Generation, with some reduction in Carbon compared to the older less efficient OTCs, but still with a substantial long term Carbon Output.
- Likely Not Far Into Future Loss of Zero Carbon Energy from Diablo Canyon.



The current shortcoming is that the benefits and impact that Cost Effective Energy Storage can and must play in California is being kicked down the road, instead of focusing on the scale of the problem, and putting in place the Policies and Regulations that can Cost Effectively facilitate a solution to the problem in a timely and orderly way, compatible with the needs of California.

Specifically, Alton Energy and Bison Peak Pumped Storage plan to provide information and testimony in the 2013 IEPR Process related to the availability of between 1,000 MW and 2,500 MW of Cost Effective Hydro Pumped Storage located near the Heart of the Tehachapi Clean Energy Resource Area, such that the already installed and operating major renewable energy investments can be effectively converted into a Firm and Dispatchable Low Carbon Energy, and Capacity and Ancillary Service contributor to the California Energy Mix. We believe there are some additional attractive resources and capabilities that can be put to effective use in helping California meet its critical Laws and Goals. With a proper focus in the 2013 IEPR, it is very likely these resources and capabilities will become better identified, quantified, and supported.

For these reasons, we believe that Energy Storage must have a greater and more central focus in the 2013 IEPR, and we respectfully urge the Commission to adjust the 2013 Plan and the Scoping Memo to more explicitly, and with central focus, recognize and address this need.

Our Team intends to participate in the 2013 IEPR Process to the extent we can productively help facilitate Policies and Regulations that create an opportunity for Cost Effective Lowest Carbon Dispatchable Energy to achieve greater penetration into the California Energy Mix. Our Team has substantial experience and success in helping to create the improvements represented by the Tehachapi Renewable Transmission Project, and the Alta Energy Center, now at 1,320 MW on line, resulting in the largest single operating wind project in the western world. We believe we can similarly help create the essential Policies and Regulations that are urgently needed if California is to avoid missing the key opportunity for Cost Effective, Clean, Dispatchable, Sustainable Energy as the major element of the California Energy Mix.

Respectfully Submitted,
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