

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the matter of,

*2013 Integrated Energy Policy Report
(2013 IEPR)*

Docket No. 13-IEP-1D

WORKSHOP
RE: Electricity Infrastructure
Planning/Reliability

**WELLHEAD ELECTRIC COMPANY, INC.
COMMENTS ON THE SEPTEMBER 9, 2013 WORKSHOP ON
SOUTHERN CALIFORNIA ELECTRICITY INFRASTRUCTURE AND
RELIABILITY ISSUES**

Douglas E. Davie, Vice President
Wellhead Electric Company, Inc.
650 Bercut Dr., Suite C
Sacramento, CA 95811
Tel: (916) 447-5171
Fax: (916) 447-7602
E-mail: ddavie@wellhead.com

Douglas K. Kerner
Ellison, Schneider and Harris L.L.P.
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Tel: (916) 447-2166
Fax: (916) 447-3512
E-mail: dkk@eslawfirm.com

September 23, 2013

Attorneys for Wellhead Electric Company, Inc.

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

In the matter of,

*2013 Integrated Energy Policy Report
(2013 IEPR)*

Docket No. 13-IEP-1D

WORKSHOP
RE: Electricity Infrastructure
Planning/Reliability

**WELLHEAD ELECTRIC COMPANY, INC.
COMMENTS ON THE SEPTEMBER 9, 2013 WORKSHOP ON
SOUTHERN CALIFORNIA ELECTRICITY INFRASTRUCTURE AND
RELIABILITY ISSUES**

Wellhead Electric Company, Inc. (“Wellhead”) respectfully submits these comments on the draft *Preliminary Reliability Plan for LA Basin and San Diego* presented at the Joint Workshop on Southern California Electricity Infrastructure and Reliability Issues held by the California Energy Commission (“CEC”) and California Public Utilities Commission (“CPUC”) on September 9, 2013.

Wellhead provides management services to special purpose entities that build, own and operate generating facilities in California. Wellhead leads and manages development efforts to identify potential projects, and develops these projects to the point where they are viable and ongoing. Wellhead’s affiliates currently have nine generating projects delivering power to the California electric system.

As the developer of energy projects in California, Wellhead encourages both the CEC and the CPUC to ensure that any plan adopted by the agencies to meet reliability concerns in the LA Basin and San Diego focuses on identifying specific performance characteristics that are needed to meet reliability needs, and allows market innovation to

supply resources that contain such characteristics, rather than relying only on certain classes of technologies to meet reliability needs. Focusing on the identification of needed performance characteristics will enable consideration of a wide variety of technologies and project types to meet reliability concerns.

I. COMMENTS ON THE PRELIMINARY RELIABILITY PLAN FOR LA BASIN AND SAN DIEGO¹

Planning and procurement decisions should identify and focus on specific performance characteristics that are needed to meet reliability needs. Wellhead is concerned that wholesale dismissal of classes of technologies as unable to provide certain reliability functions will stifle innovation, both in terms of technologies and project types. For example, in relation to voltage support, the *Preliminary Reliability Plan* states that “Solar photovoltaic systems, wind energy, battery storage, energy conservation, do not provide this characteristic but can reduce the amount needed.”² Studies have shown, however, that resources such as storage can provide voltage support. The 2013 DOE/EPRI Electricity Storage Handbook states that, “Normally, designated power plants are used to generate reactive power (VAR) to offset reactance in the grid. These power plants could be displaced by strategically placed energy storage within the grid at central locations or taking the distributed approach and placing multiple VAR-support storage systems near large loads.”³ Furthermore, voltage support is not a discrete, isolated service. Voltage support and frequency response has traditionally been provided by a

¹ Draft Preliminary Reliability Plan for LA Basin and San Diego, Prepared by Staff of the CPUC, CEC, and CAISO (Aug. 30, 2013).

² Draft Preliminary Reliability Plan for LA Basin and San Diego, Prepared by Staff of the CPUC, CEC, and CAISO, p. 1, footnote 1 (Aug. 30, 2013).

³ DOE/EPRI 2013 Electricity Storage Handbook in Collaboration with NRECA. Akhil et al. July 2013. See also Yang, Kai, and Anwar Walid. 2013. “Outage-Storage Tradeoff in Frequency Regulation for Smart Grid With Renewables.” *IEEE Transactions on Smart Grid* 4 (1) (March): 245–252.

mix of inertial frequency response, primary frequency response and secondary frequency response. The PJM has found that a mix of fast responding and slower, traditional resources provides better performance (as measured by NERC Control Performance Standard 1) in frequency response than fast or slow resources alone.⁴ It may well be that a portfolio of technologies provides better, lower cost grid support than traditional fossil generation alone.

The California Independent System Operator's ("CAISO's") September 4, 2013 paper, *Consideration of Alternatives to Transmission or Conventional Generation to Address Local Needs in the Transmission Planning Process*, also discusses the significance and importance of three generic performance characteristics required to meet local area needs: response time; duration; and availability. These characteristics are also described as attributes that might be provided from non-conventional, and perhaps unexpected, resource opportunities, including storage.⁵ Therefore, Wellhead encourages the agencies to continue to work to identify specific performance characteristics that are needed for local area needs, and to allow all types of resources and projects that contain such characteristics the opportunity to meet local area needs.

II. CONCLUSION

Wellhead appreciates the opportunity to provide written comments on this issue, and thanks both the CEC and the CPUC for continued consideration of this issue and others relevant to energy storage. Wellhead urges the CEC and CPUC to continue to

⁴ "KERMIT Study Report to Determine the Effectiveness of the AGC in Controlling Fast and Conventional Resources in the PJM Frequency Regulation Market." KEMA. December 2011. For PJM Interconnection.

⁵ CAISO, *Consideration of Alternatives to Transmission or Conventional Generation to Address Local Needs in the Transmission Planning Process*, p. 8 (Sept. 4, 2013).

identify the attributes needed to meet reliability concerns, and recognize that there are a wide range of technologies and projects, including energy storage, able to provide these system requirements.

Dated: September 23, 2013

Respectfully submitted,



Douglas K. Kerner
Ellison, Schneider and Harris L.L.P.
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Tel: (916) 447-2166
Fax: (916) 447-3512
E-mail: dkk@eslawfirm.com