



## California Wind Energy Association

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April 19, 2019

The Honorable Ben Hueso  
Chair, Senate Committee on Energy, Utilities and Communications  
State Capitol Room 4305  
Sacramento, CA 95814

**RE: SB 772 (Bradford) – Support if Amend**

Dear Chairman Hueso:

The California Wind Energy Association (CalWEA) is a 19-year-old trade association representing wind energy companies focused on the California market, primarily consisting of owners and operators of projects located in California. SB 772 would mandate procurement by the California Independent System Operator (subject to approval by the Federal Energy Regulatory Commission) of between 2,000 and 4,000 MW of bulk energy storage to begin operation no later than 2030.

CalWEA supports the procurement of grid-integration resources as necessary to ensure system reliability and efficient grid operations as the level of renewable energy generation increases to meet state greenhouse-gas-reduction goals. However, we have the following concerns and related recommendations on SB 772:

- The bill anticipates a need for a large and specific amount of storage in 2030 that may exceed what will be needed in that timeframe. Recent California Public Utilities Commission studies indicate that significantly less than the amount required by this bill will be needed. Excess storage on the system will depress the price signals that would otherwise promote resource diversity. Greater resource diversity will reduce the amount of storage needed. Therefore, CalWEA recommends that the bill remove the specific amount of bulk storage and instead reference an amount to be determined by the CPUC and the Energy Commission as part of Integrated Resource Planning studies.
- The amount of storage needed will vary depending on the resource portfolios assembled by load-serving entities, and the flexibility of their loads. The more that LSEs craft balanced portfolios that match their loads, and the more flexible those loads are, the less storage will be required. Allocating storage costs according to each LSE's contribution to the need for storage will provide an incentive to LSEs to achieve balanced portfolios that reduce the need for storage and lower overall

costs. Therefore, CalWEA recommends that any storage procured for the electrical system be allocated among LSEs, via the CAISO's Transmission Access Charge, based on each LSE's contribution to electric system conditions creating a need for energy storage.

With amendments to address the above concerns and recommendations, CalWEA would be pleased to support the bill.

We look forward to continued engagement on this bill in hopes of resolving our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Rader". The signature is fluid and cursive, with the first name "Nancy" being more prominent than the last name "Rader".

Nancy Rader  
Executive Director

cc: Members, Senate Energy, Utilities & Communications Committee  
Senator Bradford

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