



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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August 07, 2015

NOTICE OF RECESSED OPEN MEETING AND WORKSHOP
(To be held at 9:00 a.m., Tuesday, August 25, 2015)
and
NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(Comments due by 5:00 p.m., Friday, September 25, 2015)

RE: Modeling energy storage in integrated resource planning,
Docket UE-151069

TO ALL INTERESTED PERSONS:

In its review of the 2013 integrated resource plans (IRPs) filed by the three investor-owned electric utilities operating in Washington, the Washington Utilities and Transportation Commission (Commission) found that the modeling utilities employed in the IRPs failed to provide an analysis of the potential costs and benefits of energy storage. In acknowledging the plans, the Commission directed each utility to improve its analysis of energy storage technologies in future IRPs.¹ Given the rapidly growing trend of successful deployment of energy storage in jurisdictions that have accounted for those benefits, it is becoming increasingly important that Washington utilities reflect those benefits to allow energy storage to fairly compete against other resource options in resource procurement and as part of a least-cost, least-risk plan.

Commission Staff recently reviewed how different jurisdictions approach the valuation of energy storage services and modeling, and submitted a White Paper that summarizes its work in this docket. The White Paper is available on the Commission's [website for this docket](#).

¹ *Puget Sound Energy*, Docket UE-120767, 2013 Integrated Resource Plan Acknowledgment Letter, Attachment A, at 6 (Feb. 6, 2014); *Pacific Power*, Docket UE-120416, 2013 Integrated Resource Plan Acknowledgment Letter, Attachment, at 6 (Nov. 25, 2013); *Avista*, Docket UE-121421, 2013 Integrated Resource Plan Acknowledgment Letter, Attachment, at 8-9 (March 28, 2014).

In this docket, the Commission is investigating whether it is necessary to give the utilities specific guidance on how energy storage should be treated in their planning and procurement processes. The Commission may issue a policy statement to provide that guidance.

Workshop

The Commission will hold a recessed open meeting in this docket on **Tuesday, August 25, 2015, at 9:00 a.m.**, in Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. All interested persons are invited to attend.

At the workshop, the Commission anticipates a presentation by Pacific Northwest National Laboratory staff (invited) concerning work the lab has done to assign values to energy storage resources. Following the presentation, the Commission seeks comments from interested stakeholders, including regulated utilities and other energy storage experts, regarding the topics identified in this notice and [Staff's White Paper](#). Specifically, the Commission encourages parties to identify available models for valuing the services that energy storage provides.

Written Comments

To assist in this investigation, the Commission invites interested parties to submit written comments addressing the following questions:

- A. The following list identifies some of the potential uses, benefits or “value propositions” that energy storage systems could offer to a utility. How should a utility model such benefits in an IRP or resource procurement process?
 1. Peak Shaving
 2. Transmission and Distribution Upgrade Deferrals
 3. Outage Mitigation
 4. System Balancing
 - a. Regulation/frequency control
 - b. Load Following
 - c. Energy Imbalance
 5. Contingency Reserves
 6. Reactive Power Support
 7. Network Stability Services
 9. System Black Start Capability
 9. Other

- B. Models are available today that assign values to the many different use cases of a storage system. These models optimize the value of a storage system by selecting the service that provides the most benefit to the utility and consumers at a particular moment. What technical capability do the utilities have to perform similar modeling?

- Given that planning in Washington focuses on a least-cost, least-risk resource analysis, how could utility resource plans best analyze and incorporate such analysis into existing IRP and resource procurement models?
- C. Utilities, as balancing authority areas, currently provide ancillary services. As balancing authorities, what ancillary services are the utilities responsible for providing? What resources do utilities currently use to provide ancillary services? What are the costs associated with using these resources to provide ancillary services, and what is the opportunity cost of using the resources to provide ancillary services? Would it be appropriate for Washington to use rates for ancillary services in organized electricity markets as a proxy for valuing the ancillary benefits of energy storage in Washington?
- D. What additional questions should the Commission consider in the course of this investigation?

Following the workshop, the Commission invites stakeholders to provide additional information via written comments. Written comments should be submitted **no later than 5:00 p.m., September 25, 2015**, and, if possible, in electronic format. Electronic format should be on a flash drive, DVD, or CD. Please also send us the text in your choice of .doc (Word 6.0 or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Comments may also be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include the docket number, UE-151069, in all submitted comments. The Commission will make available all comments provided in electronic form on the Commission's website at <http://www.utc.wa.gov>. Documents will be posted within twenty-four hours of receipt.

Comments delivered by mail or courier should be addressed to: Steven V. King, Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504-7250.

Questions for Commission staff may be addressed to Jeremy Twitchell by email at jtwitch@utc.wa.gov or by calling (360) 664-1302.

STEVEN V. KING
Executive Director and Secretary