



December 12, 2016

City of Arts & Innovation

John Mathias
California Energy Commission
1516 Ninth Street MS-20
Sacramento, CA 95814

SUBJECT: Riverside Public Utilities Compliance Filing on AB 2514 Energy Storage Procurement Target

Dear Mr. Mathias,

Pursuant to the requirements of Assembly Bill 2514 (Skinner, Chapter 469, Statutes of 2010) ("AB2514"), Riverside Public Utilities ("RPU") hereby reports to the California Energy Commission ("CEC") regarding its compliance with the energy storage procurement target and policies adopted by RPU's governing board in 2014. RPU's governing board is the City of Riverside City Council ("Riverside City Council").

On September 23, 2014, the Riverside City Council declared, consistent with RPU staff's evaluation and recommendation, that there are no viable and cost-effective energy storage opportunities for RPU and, therefore, no targets were to be set pursuant to AB2514. A copy of the Staff Report and City Council Approval can be found on the CEC website at [http://www.energy.ca.gov/assessments/ab2514_reports/Riverside Public Utilities](http://www.energy.ca.gov/assessments/ab2514_reports/Riverside_Public_Utillities).

Although no targets were set, RPU has taken quite a few steps towards promoting, experimenting and preparing for energy storage implementations. For example, RPU contributed a grant for \$1 million dollars to the University of California, Riverside for its 2.5MW Thermal Energy Storage project. In March of 2015, RPU contracted with Ice Energy to begin a 5MW thermal energy storage pilot program within the City for peak-load reduction. RPU expects 2MW capacity to be implemented under the program by the end of first quarter 2017. In July of 2015, RPU, through Southern California Public Power Authority ("SCPPA"), entered into a solar PV Power Purchase Agreement ("PPA"), which was purposely designed to include an Energy Storage Option. The storage option will allow RPU to co-locate an energy storage facility up to 6 MW at the site in the future for solar integration.

To prepare for the next target-setting in 2017, RPU is diligently analyzing energy storage opportunities through multiple avenues. Collectively with other municipalities through SCPPA, RPU has acquired an energy storage study report prepared by DNV-GL using results from its proprietary ES-Select model. Also through SCPPA's upcoming 2017 Energy Storage RFP, RPU will be actively seeking and reviewing incoming storage proposals with new and existing technologies. Individually, RPU is in the process of contracting a consultant to perform a utility-specific study to model potential benefits from energy storage participation in the CAISO market. RPU is also considering soliciting energy storage proposals on the distribution level to mitigate effects from solar penetration.

As demonstrated by the above-mentioned activities, the City of Riverside and RPU are committed to partner with the local community in support of energy storage developments and will continue to look for feasible and cost-effective ways to strategically integrate energy storage applications into RPU's system.

Please contact me at (951)826-8526 or degarcia@riversideca.gov with any questions about this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel E. Garcia", with a stylized flourish at the end.

Daniel E. Garcia
Assistant General Manager – Resource Operations and Strategic Analytics
Riverside Public Utilities