



Eagle Crest
Energy Company

3000 Ocean Park Blvd. Suite 1020
Santa Monica, CA 90405
Tel: (310) 450-9090
Fax: (310) 450-9494
www.EagleCrestEnergy.com

December 15, 2011

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-IEP- 1A
1516 Ninth Street
Sacramento, CA 95814-5512
Docket@energy.state.ca.us

DOCKET	
11-IEP-1A	
DATE	<u>Dec.15 2011</u>
RECD.	<u>Dec.20 2011</u>

Re: Lead Commissioner's Draft 2011 Integrated Energy Policy Report (IEPR)

To whom it may concern:

On December 5, 2011 the Commission released the Lead Commissioner's 2011 Draft IEPR and requested public comments.

We have reviewed the Draft and the Staff Paper "Renewable Power in California: Status and Issues", also released on December 5, 2011 and have the following comments with respect to the role of pumped storage in renewable integration.

The Report fully recognizes the important role of storage in addressing increasing integration issues if we are to achieve our goal of 33% renewable generation. You accurately point out the many benefits of storage. Pumped storage, which currently accounts for 98% of US storage, can be particularly helpful in ramping both up and down at the scale and the ramp rate which will be required. But we also face the issues you point out: monetization of the many value streams storage can offer to make storage economic. This is an issue recognized by the California Public Utility Commission in their Storage proceeding, R.10-12-007.

We look forward to working with the CEC, the CPUC and the CAISO in developing policies that can lead to cost-effective and viable energy storage that can deliver maximum benefits to California's electric system.

Sincerely, 
/s/ Doug Divine
Eagle Crest Energy