

**BEFORE THE UTILITIES AND TRANSPORTATION COMMISSION OF THE STATE OF WASHINGTON  
U-161024 and UE-151069**

In the Matter of

UTILITIES AND TRANSPORTATION  
COMMISSION OF WASHINGTON,

In the Matter of the Washington Utilities  
and Transportation Commission's Investigation  
into Energy Storage Technologies

**COMMENTS OF PUBLIC UTILITY DISTRICT #1 OF KLICKITAT COUNTY  
March 31, 2017**

Public Utility District #1 of Klickitat County (KPUD) appreciates the opportunity to comment on the WUTC Staff's Draft Report and Policy Statement on Treatment of Energy Storage Technologies in Integrated Resource Planning and Resource Acquisition (the "Draft Policy").

Klickitat PUD has a long history of developing and facilitating the development and integration of renewable energy in Washington State and the Pacific Northwest. Beginning with the development of a "fish friendly" 10 MW addition to McNary dam; development of a 26 MW landfill gas project (since expanded) in eastern Klickitat County; participated in the development of the 205 MW White Creek Wind project; plus 900 MW of wind generation are interconnected to and receiving transmission from KPUD. Involvement in these projects is indicative of how Klickitat PUD has "punched above its weight" in renewable resource development. Our efforts have continued as the Pacific Northwest has begun to turn its attention to energy storage. KPUD has been working to develop the JD Pool pumped storage hydro project since 2010. KPUD currently has entered into a memorandum of understanding with National Grid to further the development of JD Pool. As such, KPUD supports the comments submitted by National Grid. KPUD further supports the comments of the Northwest Hydro Association in these dockets.

KPUD has followed the efforts among the western states in their approach to storage and commends the WUTC staff's efforts and approach in this process. KPUD believes this approach and the Policy Statement generally do a good job in providing a necessary first step in establishing policy that provides guidance to the WUTC's regulated electric utilities in how they should approach storage. We believe the approach as summarized in paragraph 28 providing direction in modeling, procurement and evaluation, along with the assurances in Section C, Regulatory Treatment, specifically paragraphs 55, 56 and 57 provides reasonable assurances and encouragement to the IOUs to begin to consider investment in storage.

While KPUD generally supports the Draft Policy, KPUD shares NWA's concerns that there is an underlying battery bias in this effort. While we appreciate the language in paragraphs 51 and 52 that recognizes non-battery technologies and the need for technology neutrality, the WUTC's efforts through this process have been too often a battery discussion rather than a storage discussion. This problem may originate, or at least include a lack of understanding of the potential of PSH in the PNW. At last year's NWA conference a panel that included Commissioners from both Oregon and Washington essentially stated that they did not believe or were aware of any viable PSH in the Northwest.

KPUD was within several weeks of submitting a Draft License Application for JD Pool to FERC before its Board of Commissioners decided to halt the licensing effort at that time. That process involved environmental outreach, agency meetings, public meetings, environmental studies, engineering studies and tribal consultations. From that process we believe that JD Pool is very likely capable of obtaining all permits and licensing necessary for construction. With the signing of the MOU with National Grid we are conducting economic feasibility and market assessment work to better understand the viability and market potential of the project. While those efforts are currently underway, we are far enough along to know that the results of this analytic effort are positive and promising.

Finally, in their comments National Grid raises an important issue that KPUD believes needs reinforcement as the WUTC considers how to move forward with storage. KPUD recognizes that its purview is investor owned utilities that operate in the State of Washington. However a storage discussion in 2017 and looking forward necessitates a regional view. The PNW and California have had a long and mutually beneficial relationship in electric energy markets. Both parties are best served by the continuation of that relationship. The expansion of the Energy Imbalance Markets and possible CAISO expansion compel a discussion of storage to recognize these events and the resulting regional perspective. We urge the WUTC to coordinate with the OPUC and the efforts of the Northwest Power Planning and Conservation Council, as well as keeping abreast of developments in California, as it proceeds in establishing Washington's energy storage future.

If you have any questions regarding these comments please contact Brian Skeahan at (360) 431-5072 or [Brian.Skeahan@yahoo.com](mailto:Brian.Skeahan@yahoo.com). KPUD appreciates and commends staff's work on the Policy, appreciates the opportunity to comment on it and looks forward to working with you going forward.

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Jim Smith, General Manager  
Klickitat PUD