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Comments of Eagle Crest Energy, Inc. on the Joint Agency Symposium on the Governor's Greenhouse Gas Reduction Goals

August 6, 2015

Thank you for the opportunity to provide comments on the July 9 Symposium that looked at ways to achieve the Governor's greenhouse gas (GHG) reduction goals. I had the opportunity to attend the July 9 meeting on behalf of Eagle Crest Energy, Inc. and hear the discussion about the portfolio of resources that will be needed to meet the State's GHG goals. My comments today will focus on large-scale energy storage, specifically pumped storage, and what is needed to encourage the development of these vital resources.

First, let me provide some background on Eagle Crest Energy, Inc. (Eagle Crest Energy). Eagle Crest Energy is a California company that is based in Santa Monica. The company is proposing to build the Eagle Mountain Pumped Storage Project located in Riverside County, California. The energy storage project will generate 1300 MW of firm, stable and dispatchable power, enough to power nearly 1 million homes. It will be able to bank energy from solar, wind, and geothermal power plants for release during times of peak demand and to maintain grid stability.

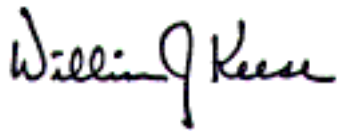
As I mentioned above, I had the opportunity to attend the July 9 Symposium and listen to the discussion about a diversified resource portfolio. Part of the conversation included specific references to the need for pumped storage as a way to maintain reliability and integrate renewables. The E3 representative emphasized that quite a bit of pumped storage was in the E3 model and could be an important integration solution. However, Commissioner Picker pointed out the fact that without a clear goal, important resources tend to get overlooked or discounted.

In my opinion, Commissioner Picker succinctly articulated the problem that is facing pumped storage today. There is no clear mandate or procurement goal that would have the State look at pumped storage and determine how much of the resource is needed to maintain reliability and integrate renewable energy resources. Without a goal or clear direction from the California Public Utilities Commission (CPUC), the State's investor-owned utilities are unlikely to sign power purchase agreements with pumped storage projects.

Eagle Crest Energy would like to see the CPUC and the California Independent System Operator (ISO) work together to identify and set procurement goals for pumped storage resources. We urge you to start the dialogue soon so that it can inform the next procurement process. We agree with the comments made by Commissioner Peterman that there needs to be a forum for agencies to address the State's 2030 needs.

Again, thank you for the opportunity to provide comments. If you have questions about Eagle Crest Energy, please contact me at (916) 834-7427.

Sincerely,

A handwritten signature in black ink that reads "William J. Keese". The signature is written in a cursive style with a large, stylized 'W' and 'K'.

William J. Keese