

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the ESDER Phase 2 stakeholder initiative Issue Paper posted on March 22 and as supplemented by the presentation and discussion during the stakeholder web conference held on April 4, 2016.

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

[Comments are due April 18, 2016 by 5:00pm](#)

The Issue Paper posted on March 22 and the presentation discussed during the April 4 stakeholder web conference may be found on the [ESDER Phase 2](#) webpage.

Please provide your comments on the Issue Paper topics listed below and any additional comments you wish to provide using this template.

### **NGR enhancements**

The CAISO is proposing to explore two possible areas of NGR enhancement: (1) representing use limitations in the NGR model, and (2) representing multiple configurations in the NGR model.

The CAISO is requesting stakeholders provide comments and consider the following:

- Are these two possible areas of NGR enhancement the highest priority NGR enhancements to pursue in ESDER Phase 2?
- Are there other areas of NGR enhancement that are of higher priority that should be pursued instead? If yes, which ISO-proposed NGR enhancement should be omitted from the scope?
- Please provide examples of use cases that support the NGR enhancements you view are of the highest priority and should be pursued in ESDER Phase 2.

**Comments:**

On July 2, 2015, CDWR commented on the proposed 2016 scope of ESDER, which included CAISO's commitment to begin internal work in 2015 on the following items:

- 1c. Explore multiple configurations for a single NGR where each configuration is allowed different operating characteristics and economic bid curves based on physical constraints of the resource.
- 1d. Evaluate expanding bid cost recovery for NGR to potentially cover additional resource types and configurations.
- 1e. Enhance load management capability and participation under the NGR model (i.e., both increasing and decreasing consumption).

CDWR believes the CAISO should make Item 1e. a high priority by developing or enhancing a market mechanism to allow wholesale load to increase consumption in the Real-Time Market. CAISO indicated to CDWR that the NGR model could be the market mechanism to enhance CDWR's Participating Load (PL) resources' participation in the CAISO market and simultaneously recognize the limitations of such resources.

**Demand response enhancements**

The CAISO is proposing to explore two possible areas of demand response enhancement: (1) Exploring the ability for PDR to be dispatched to both curtail and increase load, and provide regulation service; and (2) developing alternative baselines to assess the performance of PDR and RDRR.

The CAISO is requesting stakeholders provide comments on these two areas of enhancement and consider the following:

Demand response enhancement topic area #1 – Ability for PDR to both curtail and consume energy:

- What issues does this working group need to address and resolve to enable load consumption capability? For example:
  - How would financial settlements work given wholesale bids cause an increase in retail consumption and demand?
  - What does consumption mean? Is consumption when a load exceeds its "normal" maximum consumption at certain times or under certain conditions?
  - What are appropriate baselines/Performance Evaluation Methods?
  - Is there any differences if load consumption results from a BTM device versus true load consumption?
  - Retail and wholesale impacts of over or under performance?

- CAISO Grid Management Charges for load consumption?
- Are any state policies impacted by wholesale-directed retail load consumption?
- Suggest a proposed schedule and milestones for working group to deliver a Draft Final Proposal by September 8, 2016 (use the stakeholder process schedule on pages 22-23 of the March 22 Issue Paper as a guide).

**Comments:**

Before (or while) enhancing retail based demand response, CAISO should focus on enhancing wholesale demand response, such as Participating Load (PL), and developing market rules that allow PL to be dispatched to increase load/demand/consumption. This would meet the central focus of the ESDER initiative by lowering barriers to PL resources, that are already transmission grid-connected, and to enable them to more fully participate in the CAISO market. Additionally, enhancements for wholesale PL would avoid the retail rate issue and be more simple for CAISO to manage. By developing market rules for PL to bid demand increases in the Real-Time Market the CAISO wholesale load may respond to over-generation conditions, avoiding exports that may require costly transmission upgrades, preventing the curtailment of renewable generation that is needed to meet California RPS and SB-350 mandates, and solves some of the complex technical issues without the encumbrance of retail/CPUC issues.

Demand response enhancement topic area #2 – Alternative baselines to assess the performance of PDR/RDRR:

- What baseline methods should the CAISO add and why?
- If a performance method is recommended that requires a control group, how would third parties be able to cost-effectively set-up and operate control groups? Are there services the UDC could provide in this area?
- What tools and capabilities will the CAISO require to assess best fit for different types of PDR aggregations?
- Suggest a proposed schedule and milestones for working group to deliver a Draft Final Proposal by September 8, 2016 (use the stakeholder process schedule on pages 22-23 of the March 22 Issue Paper as a guide).

**Comments:**

No comment at this time.

**Multiple-use applications**

To avoid redundant and potentially divergent efforts the CAISO will initially address this topic by participating in the CPUC Order Instituting Rulemaking (R.) 15-03-011, Track 2. The CPUC and CAISO are planning to hold a joint workshop May 2-3, 2016. If the CPUC proceeding identifies issues that should be addressed in a CAISO initiative, or develops proposals the CAISO should consider formally adopting, the CAISO can open a new initiative or expand ESDER Phase 2.

The CAISO is requesting stakeholders provide comments on this topic area as well as this proposed approach.

**Comments:**

No comment at this time.

**Distinction between charging energy and station power**

Under this topic the CAISO intends to resolve the distinction between wholesale charging energy and station power. Although this is also a topic in Track 2 of the CPUC's energy storage proceeding, station power is specifically addressed in the CAISO tariff and the CAISO will primarily address this issue in ESDER Phase 2. However, because the question of station power is inherently jurisdictional, the CAISO intends to also contribute to this topic in Track 2 of the CPUC's energy storage proceeding as may be necessary. In doing so the CAISO will seek to economize its staffing resources where possible and avoid redundant efforts, and will also seek to avoid the conflicts that have arisen in the past over the wholesale/retail line.

The CAISO is requesting stakeholders provide comments on this proposed approach as well as respond to the following questions:

- Should the CAISO modify its definition of [station power](#) to better accommodate energy storage resources?
- Should battery temperature regulation be considered part of charging (similar to efficiency loss) and subject to a wholesale rate, or should it be considered

consumption/station power subject to a retail rate (where consumption exceeds output in an interval)?

- Are there any means besides separately metering the storage device by which the CAISO should distinguish between charging and station power?

**Comments:**

As an energy storage system, pump storage hydro should receive equal treatment.

**Review allocation of transmission access charge to load served by DER**

The CAISO is proposing to review the rules for determining load subject to the transmission access charge (TAC) to reflect the effects of utility-side distributed generation, as proposed by Clean Coalition.

The CAISO is requesting stakeholders provide comments on this topic area. In particular, please comment on the three concerns the CAISO raised in the issue paper, and if possible offer examples to help illuminate these concerns.

1. Transmission investment is mainly driven by peak load conditions, which may not be reduced by adding distributed generation (DG).
2. New DG does not offset the cost of transmission that was previously approved and is currently in service.
3. Exempting some load from TAC charges would not decrease PTO revenue requirements, so some costs would be shifted to other customers.

**Comments:**

Any change to the TAC rate structure resulting from the ESDER stakeholder process should not create a TAC cost shift from a Utility-Distribution customer class to ISO Wholesale customers.

If any TAC rate methodology change occurs affecting any class of customer's usage of the CAISO transmission services, then SWP pump load should receive similar consideration for non-discriminatory treatment.

**Other comments**

Please provide any comments not associated with the topics above here.

**Comments:**

Wholesale Demand should be given equal market opportunity to respond to the needs of the system.