


Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the ESDER Phase 3 stakeholder initiative workshop held on January 16, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due January 26, 2018 by 5:00pm

The CAISO held a stakeholder workshop to find consensus on the issues and identify additional topics for ESDER 3. The presentation and all supporting documents can be found on the [ESDER 3](#) webpage.

Important: The CAISO requests stakeholders comment on the current list of priorities presented at the January 16, 2018 workshop. Based on the list below, high priority items (green) are considered in scope, low priority items (yellow) will be evaluated based on stakeholder comments and CAISO resource sufficiency, and no consideration items (red) will not be included in the ESDER 3 scope. **Note that some items have been rewritten for clarification.**

List of potential scope (DR, MUA, and NGR combined)

- ◆ **Demand response modeling limitations** – Resolving the issue of RUC that leads to infeasible 5-minute dispatches and minimum/maximum run time constraint recognition.

- ◆ **Variable demand response (weather sensitive)** – Exploring bidding options that reflect the variability of DR.
- ◆ **Removing the single LSE requirement/ DLA discussion** – Remove the requirement of a single LSE for DR with a subsequent discussion on if the DLA will need to be modified.
- ◆ **Load shift product** - Development of load shift capability with a consideration of additional technologies than just behind the meter storage.
- ◆ **Comprehensive review of MUA impacts** – Review of potential tariff changes in accordance with CPUC’s ruling/ working groups (including 24x7 participation requirement impact analysis).
- ◆ **Recognition of a behind the meter resource in load curtailment** – Extending the meter generator output (MGO) model to EVSEs.
- ◆ **Use-limitation status for NGRs** – Exploring the option to allow NGRs to qualify as a use-limited resource.
 - What constitutes use-limited status for NGR resources (i.e. batteries)?
- ◆ **Bidding Costs** – What bidding costs need to be captured for NGRs? (i.e. cost based offers)
- ◆ **Establishing throughput limitations** – Creating bidding options to manage excessive cycling of NGRs.
- ◆ **Management of State of Charge (SOC)** – Considering options for the management of SOC such as a multi-stacked ancillary service bid.
- ◆ **Recognition of a behind the meter resource in load curtailment** – Extending the meter generator output (MGO) model to sub-meter and develop individual baselines to all other individual load types.
- ◆ **PDR/RDRR hybrid resource** – Exploring how a DR resource that can be economic (PDR) for a limited amount and can transfer to become an RDRR.
- ◆ **Continued discussion on use-cases for MUA** – Determining participation models for new technologies such as micro-grids through use-case scenarios.

Comments:

The Council appreciates the opportunity to respond to the CAISO’s proposed scope for ESDER3. We are supportive of the items that CAISO has designated as green, high priority items for this phase of ESDER. Based on the conversations at the January 16 stakeholder meeting, the majority of stakeholders who participated in the scoping effort agree these items remain the highest priority. The Council is pleased that one of our highest priority issues, exploring bidding options that reflect the variability of demand response, is among the green high priority items. This has been a critical issue for our residential demand response providers in particular.

One item of concern that we expressed at the January 16 meeting is the collaboration between the CAISO and the CPUC on the variable demand response issue, although it may apply to other issues as well.

The concern is amplified now that the CPUC has issued the Scoping Memo in the Resource Adequacy proceeding. (R.17-09-020). The January 18 Scoping Memo includes the statement that the CPUC “may revisit RA counting rules for weather sensitive and local demand response resources” in Track 3, “expected to be concluded by June 2019.” It was previously our understanding, based on the CPUC’s workshop to address weather sensitive loads last fall, that this was a priority issue for the CPUC and would likely be moving forward. Parties will be responding to the Scoping Memo next week, and this issue is likely to be raised again. It is important that CAISO continue to prioritize solutions for variable demand response, and it is our hope that the CPUC will address the issue before the end of 2019. Failure to discuss better counting rules and bidding options for these variable resources will likely decrease the ability for residential demand response to participate in CAISO markets in a meaningful way. It would be really helpful if CAISO could indicate to the CPUC that this is a high priority issue for stakeholders and we would like to work together to make progress on this in 2018.

Another high priority issue is the development of Load Shift capability with a consideration of additional technologies other than just behind the meter storage. We support keeping this issue in scope, but the Council is concerned that the proposal presented at the January 16 stakeholder meeting only lends itself to participation by batteries, not by other resource types. The proposal would require a resource to be directly metered and have the ability to (nearly) symmetrically increase and decrease load throughout the day. While that model is perfect for one type of resource, it will make it very difficult for load to participate as a shift resource. We agree with SCE that this proposed requirement is too narrow and needs to be expanded to allow additional resources to participate as load shift.

The Council is also supportive of the proposal to extend the meter generator output (MGO) model to electric vehicle supply equipment (EVSE) for the purposes of participating in Proxy Demand Resource. Although this issue was categorized as yellow, lower priority, the discussion around this issue indicates this would be relatively straight-forward for CAISO to implement since the MGO framework is already in place. It is our understanding from these discussions that CAISO’s Demand Response Registration System is already able to accommodate an MGO location. This issue also fits well within California’s broader greenhouse gas policy imperatives and continues CAISO’s own process to maximize the value of distributed energy resources, including sources of flexible consumption. The Council would encourage CAISO to keep this issue in scope and expand the option for other resources in the future.

Other comments

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

Comments:

There was a lively discussion at the January 16 stakeholder meeting around CAISO's commitment cost initiative, and it raised a number of questions, particularly for those who have not followed CCE3 closely. While the issues that are part of CCE3, and potentially CCE DEBE, may directly impact PDR, it is unclear how the issue impacts ESDER 3. If this is a critical piece of the puzzle, it will be very helpful for our members who have not participated in CCE3 to gain additional understand of these issues at some point. The Council is concerned that both of the commitment cost efforts are already very far along in the process, and that makes it difficult to know where to devote our resources to provide input. It would be very helpful if CAISO could help parties understand the correlation between the CCE and ESDER initiatives. In addition, changes to the Master File that will be discussed in ESDER 3 for NGR would be important for PDR as well. It was not completely clear that Master File changes in ESDER 3 would be limited to NGR. This bifurcation of issues in two different stakeholder processes make it difficult to coordinate related issue development and difficult for stakeholders to follow.