

**COMMENTS OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE:**

Commitment Cost Enhancements Phase 3,

Draft Tariff Language July 31, 2017

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)¹ offers these brief comments on the Commitment Costs Enhancements Phase 3 Draft Tariff Language, released on July 31, 2017.

On the topic of biddable ramp rates, the draft Tariff language² appears to deviate problematically from the CAISO’s Draft Final Proposal³ as approved by the CAISO Board of Governors. Specifically, the draft Tariff language appears to remove the capability to bid-in ramp rates on Ancillary Services bids, per section 30.5.2.7. CESA believes the CAISO has not authorized this change. This change should be corrected.

Energy storage resources, which can have nearly infinite ramp-rates, need tools to manage their cycling, particularly when providing Regulation, an Ancillary Service. CESA has proposed solutions such as a ‘through-put limitations’ and eligibility for ‘use-limited status’ based on excessive cycling in a given timeframe so that energy storage resources, which provide an elite and highly valuable ramping capability, are not unduly or excessively cycled to their detriment and so that they may, if they provide great ramping, be able to exit the market without penalty. Until the CAISO updates its market participation tools to better differentiate and value ultra-fast ramping, resources will need tools to restrict ramping. In this regard, the CAISO’s rules may promote a ‘race to the bottom’ at this time. CESA looks forward to working with the CAISO to correct this matter, but believes that the CCE 3 Tariff should appropriately only reflect Board-approved changes.

¹ The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>)

² <http://www.aiso.com/Documents/DraftTariffLanguage-CommitmentCostsEnhancementsPhase3.docx>

³ <http://www.aiso.com/informed/Pages/StakeholderProcesses/CommitmentCostEnhancementsPhase3.aspx>

CESA recommends the CAISO remove any unauthorized changes from the draft tariff language. CESA welcomes further dialogue on this important matter and recognizes that additional information may apply.