

Comments on CAISO's 2019 Draft Three-Year Policy Initiatives Roadmap and Annual Plan

Submitted by	Company	Date Submitted
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Implementation and Prioritization of Initiatives

PG&E believes the initiatives CAISO has planned for 2019 may be too ambitious. PG&E requests that in the next Policy Initiatives Roadmap, CAISO provide some sort of classification of how intensive initiatives are to implement. This information would allow stakeholders to better understand where CAISO is planning to focus time and envision how CAISO will balance these initiatives.

If CAISO needs to make tradeoffs among initiatives for 2019 implementation, CAISO should prioritize the Congestion Revenue Rights initiatives (CRR 1a and CRR 1b) and the Resource Adequacy initiatives (RA Enhancements Phase 1, RA Enhancements Phase 2/ FRACMOO 2, and CPM and RMR).

Extending the Day-Ahead Market to Energy Imbalance Market Entities

PG&E understands that one of the key overarching objectives of the proposed three-year roadmap is to extend the DAM to EIM entities. While PG&E is supportive of this objective, PG&E requests further clarification on how CAISO plans to prioritize the different policy initiatives necessary to achieve that objective. PG&E offers the following list of questions—which are by no means comprehensive—for the CAISO to consider in order to extend the DAM to EIM entities.

Transmission-related questions:

- Would EIM entities be required to turn over the operations and control of the transmission assets to the CAISO?
- Can EIM entities continue to withhold transmission capacity?
- Would EIM entities be required to pay for Transmission Access Charge (TAC)?
- Is there a rate-pancaking issue if entities are charged for transmission use across Balancing Authority Areas?

- Would EIM entities receive Congestion Revenue Rights (CRR) allocations?
- How would this impact the current transmission planning process?

GHG calculation-related questions:

- The current GHG calculation methodology utilizes the RTM base schedule. Since there is no base schedule for the DAM, how would the amount of energy that is ascribed to a particular unit in California be determined?
- If other states with entities that participate in the EIM implement their own GHG regimes, how would the CAISO implement multi-area GHG regimes?
- How would CAISO define leakage within the CAISO area and within the larger EIM area?

Energy Storage and Distributed Energy Resources 4

PG&E recommends CAISO consider the following enhancements for ESDER 4 in addition to the existing scope:

- **PDR-LSR Enhancements:** PG&E recommends that after the CPUC’s Load Shift Working Group issues its final report in January of 2019, CAISO begin a stakeholder initiative to consider enhancements to the PDR-LSR model that:
 - Is technology neutral, as PDR-LSR is only for BTM batteries today;
 - Allows for a DRP to compose a premise-level PDR-LSR for load take, given the current proposed construct is only for sub-metered BTM batteries today;
 - Includes a buffer period between DR events, to mitigate the bias introduced when retail actions can influence the baseline as raised in PG&E’s comments in ESDER 3¹; and
 - Examines which of the approved ESDER 2 baselines should also be available for the PDR-LSR product.
- **Frequency Regulation enabled using existing DR participation model (PDR) or new participation model under the Demand Response Provider - Agreement:** PG&E recommends that CAISO re-examine what enhancements to PDR or new participation model would be needed for DR to provide frequency regulation.
- **FERC Order 841:** PG&E recommends CAISO address FERC Order 841 immediately, ahead of ESDER 4.

¹ https://www.caiso.com/Documents/PG_EComments-EnergyStorage-DistributedEnergyResourcesPhase3-DraftFinalProposal.pdf

Exceptional Dispatch Scheduling for Pipeline Inspections

PG&E recommends that CAISO begin this initiative early- to mid-2019, given that PG&E foresees that this will become an issue in 2019, increasing in magnitude by 2020. Delaying this initiative could hinder PG&E's ability to comply with Department of Transportation and CPUC requirements, impact safe, reliable gas transmission service, and therefore affect PG&E's ability to deliver gas to generators, potentially impacting electric reliability.

Please see PG&E's Policy Initiatives Catalog Submission form for this initiative, submitted on June 14, 2018, (included below as Attachment 1) for a more thorough description of this issue.

PG&E believes this initiative can be completed quickly so that any delay of another initiative would be short. PG&E recommends that, if necessary, CAISO postpone Extending DAM to EIM Entities, Intertie Deviation Settlement, or Excess BTM in order to accommodate this addition.

**Attachment 1- Policy Initiatives Catalog Submission Form for
Exceptional Dispatch Scheduling for Pipeline Inspections**

 California ISO	Market and Infrastructure Policy	Template Version:	1
		Document Version:	0
Policy Initiatives Catalog Submission Form		Date Created:	6/1/2017

California ISO Policy Initiatives Catalog Submission Form			
<p>This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager</p>			
<p>Date: 6/14/2018</p>			
Submitter Information			
Organization	Contact Name	E-mail	Phone
PG&E	Ken Rogers Eric Eisenman	Ker1@pge.com EXE3@pge.com	925-328-5664 415-973-6172
<p>Please provide a title for the issue.</p>			
<p>Exceptional Dispatch Scheduling for Pipeline Inspections</p>			
<p>Please provide a summary description of the issue (i.e. 500 words)</p>			
<p>For PG&E Gas Operations to conduct in-line safety inspections of its pipelines, it periodically requires generators to operate at a prescribed output (exceptional dispatch) for defined periods of time. While CAISO has previously been helpful in working with PG&E to coordinate such inspections, generators have sometimes been unwilling to accommodate these necessary scheduling needs. This can put PG&E in a difficult logistical position, especially given that in-line inspections are mandated to occur every seven years. Beginning in 2019 through 2025 PG&E has 166 gas transmission lines requiring in-line inspection of one or more segments on each line. Market rules are needed to accommodate the dispatching of gas generation when inspections are underway.</p>			
<p>Please provide any data/information available that would characterize the importance or magnitude of the issue.</p>			
<p>As California's gas-fired generation mix changes, the need and value of remaining generators continues to increase. At this same time, the mandated scheduling of in-line inspections, as regulated by the U.S. Department of Transportation (DOT) and the CPUC, has remained constant. PG&E and other gas pipeline operators must have the ability to schedule generators through exceptional dispatch to accommodate critical gas safety work. As a result, PG&E deems there to be an immediate need for creation of a formal stakeholder process to address this concern. Without changes to the current paradigm, PG&E will be unable to comply with DOT and CPUC regulations.</p>			

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