

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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SCE appreciates the opportunity to comment on the CAISO's Energy Storage and Distributed Energy Resource Initiative. SCE fully supports the CAISO's goal to develop rules for storage and distributed energy resource performance that is eligible to participate in CAISO wholesale markets (either directly or via DERP) to ensure proper measurement. However, SCE does not feel that the metering configurations and measurement criteria discussed at the October 12<sup>th</sup> workshop are developed enough to recommend a path to take. As such, SCE request the CAISO delay implementation of the Metering Generator Output (MGO) proposal at this time.

Because of the growing importance of DERs, the CPUC has a number of proceedings currently active in which DERs are either the focus or a topic of discussion. These include the Distributed Resources Plan (R.14-08-013), Distributed Generation (R.12-11-005), Demand Response (R.13-09-011) Net Energy Metering Successor Tariff (R.14-07-002), Energy Storage OIR (R.15-03-011), Integration of Distributed Energy Resources (R.14-10-003), modifications to rule 21, and ultimately integration into the Long-Term Procurement Plan and the anticipated Integrated Resource Plan. In addition, similar to policy development occurring in New York, the CPUC is in early discussions that could lead to the development of a Distribution System Operator (DSO). Moreover complex issues such as the use of device submeters, and when or if the CAISO should use such submeters in their settlement processes, are not far enough along for the CAISO to develop proposals based on such submeters. In addition, the CAISO is still developing tariff language and has yet to file with FERC the DERP proposal. As such, it is unclear what resources will be eligible for DERP participation<sup>1</sup> and in turn what rules

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<sup>1</sup> For example, see SCE and SDG&E comments on DERP tariff language at [http://www.caiso.com/Documents/SCEComments\\_ExpandingMetering-TelemetryOptions\\_DraftTariffLanguage.pdf](http://www.caiso.com/Documents/SCEComments_ExpandingMetering-TelemetryOptions_DraftTariffLanguage.pdf) and [http://www.caiso.com/Documents/SDG-EComments\\_ExpandingMetering-TelemetryOptions\\_DraftTariffLanguage.pdf](http://www.caiso.com/Documents/SDG-EComments_ExpandingMetering-TelemetryOptions_DraftTariffLanguage.pdf), respectively.

will be needed. As such, it is premature to establish detailed measurement rules at this time.

While SCE believes the three MGO configurations and baseline combinations hold potential, they do cause concern for a variety of factors. Some of the proposed metering and baseline combinations limit the ability for generation to receive compensation for a service that would have been performed and compensated otherwise by measuring their performance against days when they were not called by the CAISO. However, this configuration could also restrict the ability for DERs to receive proper compensation for services provided to the CAISO if they were dispatched during the baseline measurement periods for other reasons (such as distribution reliability). In short, it is difficult to predict all of the combinations of programs and resources that could be employed and determine whether a simple baseline methodology can under all circumstances correctly ascribe the performance.

Thus, SCE requests that the CAISO delay implementation of the MGO baseline methodology at this time. There are a variety of concerns over measurement accuracy and compensation that have not yet been resolved. It is critical that the rules established for this developing market space are designed correctly so as to minimize disruption to the development and deployment of ES and DERs. The ES DER initiative will continue into 2016 during which time this topic can be further developed.