

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 Straw Proposal.



Submit comments to InitiativeComments@CAISO.com

Comments are due May 21, 2018 by 5:00pm Pacific Time

The CAISO posted the ESDER 3 Revised Straw Proposal on April 30, 2018, followed by a web conference on May 10, 2018. The presentation and all supporting documents can be found on the [ESDER 3](#) webpage. The CAISO requests your comments to the ESDER3 proposal:

1. Demand Response

- New bidding and real-time dispatch options for demand response (DR)
- Removal of the single load serving entity (LSE) aggregation requirement and the need for application of a default load adjustment (DLA)
- PDR-Load Shift Resource
- Measurement of behind the meter electric vehicle supply equipment (EVSE) load curtailment

Comments:

SDG&E continues to support the development of a behind the meter load shift product. However, due to the limitations of the behind the meter non-generating resource aggregation not having any qualifying methodology for determining net qualifying capacity, the CAISO is focusing on integrating the PDR-LSR [PDR-Load Shift Resource] into the CAISO market using two distinct resources. This unfortunately creates a list of new operational challenges for market participants. SDG&E, in its previous comments, was concerned with the over-payment of bid cost recovery of the proposed paired

resource. For example, assume the charging was bid at -\$100/MWh and the discharge was offered at \$25/MWh, and the CAISO dispatched the charging at -\$25/MWh and the discharge was awarded at \$100/MWh. In this scenario, because there are two separate resources, the CAISO would pay BCR of \$75 for charging and allow the discharge to collect an additional \$75. This would sum up to \$150 of “profit”. This is not the case for NGRs. On May 1st, 2018, SDG&E’s ESCNDO_6_EB1BT1 resource was instructed to charge at prices above the bid price. However, because the resource did not net a loss for the entire day, the CAISO did not provide BCR to this resource for the day. If the resource were split into two resource IDs, then under the CAISO proposal, the resource would receive BCR for the charging portion of the day. SDG&E recommends that the CAISO establish policy upfront to treat this resource similar to an NGR for purposes of BCR rather than monitoring the allocations after implementation.

As SDG&E mentioned previously, the load consumption resource should be allowed to qualify for Flexible RA capacity just as an NGR would. The CAISO should not explicitly rule out this possibility.

SDG&E also recommends that the CAISO consider starting discussions within either the load shift or supply side working group to establish a methodology to qualify behind the meter NGR aggregation for NQC. In the long run, the NGR model may be more appropriate for the load shift product.

2. Multiple-Use Applications

- The CAISO, in its Revised Straw Proposal, has not identified additional topics at this time, but will reevaluate once the draft report under the CPUC MUA working group is complete.

Comments:

SDG&E would like CAISO to discuss whether, in all scenarios, the NQC of MUA resources would be limited to the portion of capacity that is available to the CAISO markets. If not, in which scenarios would the NQC of MUA resources exceed the portion of capacity that is available to the CAISO markets?

3. Non-Generator Resource

- The CAISO proposes to develop a process to define use-limited status for NGRs.
 - What are the potential use-limited qualifying factors and types of documents to qualify use-limitation?

Comments:

SDG&E has no comments at this time.

4. Additional workshop needed

- What topics would stakeholders want to discuss if the CAISO holds a workshop?

Comments:

SDG&E recommends the CAISO discuss with market participants how the PDR-LSR would be implemented in the CAISO systems. For example, how would the resource register in DRRS and how would the resource IDs be assigned for a single customer? How will the Masterfile be filled out for both resource IDs?

Additionally, it would be helpful to further discuss the settlement proposals to understand the different baselines and how such baselines would interact with other baselines if various products are grouped together to form a single PDR.

5. Other comments

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

Comments:

SDG&E appreciates the CAISO's consideration of these comments.