

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 2 stakeholder initiative Third Revised Straw Proposal posted on April 17, 2017.

Submit comments to InitiativeComments@CAISO.com

Comments are due May 18, 2017 by 5:00pm

The Third Revised Straw Proposal posted on April 17, 2017 and the presentation discussed during the May 4, 2017 stakeholder conference call can be found on the [ESDER Phase 2](#) webpage.

Please use this template to provide your written comments on the Third Revised Straw Proposal topics listed below and any additional comments you wish to provide.

1. Alternative Baselines to Enhance Demand Response

Section 5.1.3 of the Third Revised Straw Proposal provides the alternative baselines proposal that was developed by the Baseline Analysis Working Group (“BAWG”). The CAISO requests that stakeholders provide comments on the proposal in the following areas:

- a) Do stakeholders support the BAWG’s recommended baselines for adoption by the CAISO?

- b) Does the BAWGs proposal report, April 4, 2017 version, provide the necessary level of detail for demand response providers to implement the proposed baseline options?

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

2. Distinguishing between Charging Energy and Station Power

Section 5.2.3 of the Third Revised Straw Proposal provides the station power proposal developed by the CAISO. The CAISO requests that stakeholders provide comments on the proposal in the following areas:

- a) Given that the California Public Utilities Commission (“CPUC”) has issued a Decision on its Track 2 storage issues, it is prudent for the CAISO to seek feedback from stakeholders on what changes should be made to the CAISO tariff in light of potential changes to retail tariffs.
- b) The CAISO believes that it also may be prudent to reduce the amount of verbiage in the CAISO’s station power definition. A simpler approach for the CAISO’s purposes could be to define station power simply as energy to serve load located on a generating unit site and jurisdictional to the local regulatory authority and settled pursuant to a retail tariff. The CAISO request stakeholder feedback on this subject.
- c) Based on the current CPUC Decision on its Track 2 storage issues, the CAISO’s principal concern is that there could be potential for storage resources to “commingle” their charging load and station power load. The CAISO requests stakeholder feedback on what CAISO tariff revisions will be necessary to ensure that this issue does not arise. One solution could be to require that all wholesale load and retail load be metered completely separately. The CAISO is interested in other potential solutions that would not require separate metering and clear electrical bifurcation of loads.

Comments:

While the Six Cities are not opposed to the CAISO’s proposal to “reduce the amount of verbiage” in the current definition of station power, the Six Cities are concerned that the proposed definition could result in a lack of clarity regarding what uses are considered to be wholesale charging and will be settled at wholesale rates. Because the CAISO proposes to adopt the revised definition of station power approved by the California Public Utilities Commission (“CPUC”), and because that definition includes a listing of specific use categories that are classified as wholesale charging as well as specific uses that are considered to be retail station power, it may be preferable to reflect these in the tariff definition of station power (or elsewhere in the tariff) so that parties have an understanding of how different uses should be

classified. Simply stating that station power represents all use for load located on a generating unit site and charged in accordance with retail tariffs may be insufficiently specific.

The Six Cities seek confirmation as to the relevant netting period the CAISO proposes to use going forward. As discussed in the proposal at page 16, the CAISO currently allows for netting of consumption against output within a five-minute interval, and station power is measured as the amount of consumption that exceeds output within a five-minute interval. The proposal also describes (at page 17) that the CPUC has adopted that 15 minute interval for such netting. To confirm, is the CAISO proposing to change the relevant period consistent with the CPUC's decision?

Finally, the Six Cities agree with the CAISO's concerns regarding the potential for inappropriate "commingling" of wholesale charging energy and retail station power. The Six Cities support the CAISO's objective of ensuring that such commingling does not arise and agree that dual metering would be one option to maintain separation. The Six Cities may provide comments on possible measures to mitigate commingling when specific proposals are made by the CAISO.

3. Net Benefits Test

Section 5.3.1 of the Third Revised Straw Proposal provides the net benefits test proposal developed by the CAISO. The CAISO requests that stakeholders provide comments on the proposal.

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

4. Increase Load Consumption as Demand Response Enhancement

Section 6.1.4 of the Third Revised Straw Proposal provides an update on the status of work on this topic. The CAISO believes that there are several first priority policy issues that must be addressed before a wholesale load consumption product can be developed. The CAISO looks forward to collaborating with the CPUC and Load Consumption Working Group to help resolve these fundamental issues and develop a path forward for designing and implementing a bi-directional Proxy Demand Response product. The CAISO requests that stakeholders provide comments on the discussion in Section 6.1.4.

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

5. Non-Generating Resource Enhancements

Section 6.2.4 of the Third Revised Straw Proposal provides an update on the status of work on enhancements to the non-generating resource model. The CAISO requests that stakeholders provide comments on the discussion in Section 6.2.4.

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

6. Multiple-Use Applications

Section 6.3.3 of the Third Revised Straw Proposal provides an update on the status of work on multiple-use applications. The CAISO requests that stakeholders provide comments on the discussion in Section 6.3.3.

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

7. ESDER Phase 3

Section 7 of the Third Revised Straw Proposal provides a discussion about the topics that the CAISO currently anticipates will be within the scope of a third phase of the ESDER initiative. The CAISO requests stakeholder input on additional topics that could be included in the scope for ESDER phase 3.

Comments:

The Six Cities do not have comments on this aspect of the proposal at this time.

8. Other comments

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

Comments:

The Six Cities do have any further comments.