



## Stakeholder Comments Template

### Energy Storage and Distributed Energy Resources (ESDER) Phase 4

This template has been created for submission of stakeholder comments on the Straw Proposal Working Group Meeting for ESDER Phase 4 that was held on August 21, 2019. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the [initiative webpage](#).

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business **September 4, 2019**.

Submitted by	Organization	Date Submitted
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**Please provide your organization's general comments on the following issues and answers to specific requests.**

#### 1. Discussion on non-24x7 settlement of BTM Resources

Boston Energy appreciates the ISO focusing significant working group time on this very important area of needed market design improvement. Both FERC and the CPUC are very clear that distribute energy resources may participant in multiple domains should they chose to do so. Allowing such participation, without being settled for the same MWs twice, needs to be a priority of the ISO.

Boston Energy will soon be the Scheduling Coordinator of a standalone behind-the-meter energy storage facility modelled as an NGR. As such this area of focus in ESDER 4 is critically important and real. We urge the ISO to work with all stakeholders to develop a solution that promotes rather than discourages responses from participating in the various value chains applicable to behind-the-meter resources. While integrating behind-the-meter resources, aggregated or standalone NGR's, is complicated, its not an insurmountable task and shouldn't be pushed aside because "its to hard and complicated".

Boston Energy offers the following comments on the presentation material and discussion at the August 21<sup>st</sup> working group session.

1. The 24x7 participation and non-24x7 settlement issues discussed on August 21<sup>st</sup> apply to both standalone behind-the-meter resources as well as aggregated resources. The discussion on the 21<sup>st</sup> seemed to imply that only aggregated resources are impacted by the current market structure. This is definitely not the case, as standalone behind-the-meter NGR's face the same hurdles.

2. The rules and guidance from FERC and the CPUC are clear. If a behind-the-meter chooses to participate in multiple eligible domains it should be allowed to. As such, if a behind-the-meter resource isn't scheduled to provide the ISO will a market product (energy or ancillary services) for a given time period, the ISO market rules should allow the resource to participate in other allowed domains without settlement with the ISO (including deviation charges).
3. The working group spent a lot of time discussing the complexity of settlements and visibility of behind the meter resources. While these issues are complicated, they're not insurmountable.

First, and most important, to ensure the market gets the penetration of behind-the-meter resources the State desires, settling twice for the same MW twice cannot occur. Having to pay both the wholesale and then retail price for charging energy is simply not acceptable and makes the economics of behind-the-meter participation unworkable. It's not a wise position for the ISO to take that the behind-the-meter settlement is not the ISO's problem. The ISO needs to take a leadership role in this area as it braces for a 100% renewable grid.

Second, the working group discussion seem to indicate that the ISO and IOU's wouldn't have visibility to the meters to perform settlements properly. CAISO requires metering of the behind-the-meter resource and the customer has similar meters installed. It seems like the ISO and the LSE's have enough information to avoid settling twice.

Last, Boston Energy encourages the ISO to look at the already established station service settlement rules as a potential settlement methodology to separate out MWs associated with ISO dispatch and those associated with non-ISO domain activities.

## **2. Market Power Mitigation for energy storage resources**

Boston Energy is encouraged that the ISO correctly identified cycling/degradation costs as a must include in any default energy bid methodology. At this time Boston Energy doesn't have enough information to form a position but encourages the ISO to keep the methodology as simple as possible given its recent CCDEBE filing and the need for managing default bids on a regular basis.

One concern that Boston Energy raised at the prior working group and would like to raise again is the ISO ability to calculate a DA and RT price forecast. The ISO's price performance report clearly showed consistent out of market actions taken by the ISO. These actions directly impact both DA and RT LMPs. Until the ISO significantly reduces out of market actions its nearly impossible for the ISO's to develop a price forecasting approach that reflect market conditions. Boston Energy urges the ISO to address the areas highlighted in the price performance report and only after those issues are resolved consider implementing a default energy bid methodology that is based on an ISO developed price forecast.

## **3. Variable Output Demand Response resources**

Boston Energy has no comments at this time.

## **4. Additional comments**

Please offer any other feedback your organization would like to provide from the topics discussed during the working group meeting.

Boston Energy has no comments at this time.