

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative “Review of RMR and CPM.”

Submit comments to initiativecomments@caiso.com

Comments are due February 20, 2018 by 5:00pm

The Issue Paper and Straw Proposal for Phase 1 Items that was posted on January 23, 2018 and the presentation discussed during the January 30, 2018 stakeholder meeting can be found on the following webpage:

http://www.caiso.com/informed/Pages/StakeholderProcesses/Review_ReliabilityMust-Run_CapacityProcurementMechanism.aspx.

Please use this template to provide your written comments on the issue paper and straw proposal items listed below and any additional comments that you wish to provide.

1. Comments on phase 1 proposal to make RMR Condition 1 and 2 Units subject to a MOO for Energy and AS.

Comments:

[No comment on this question.](#)

2. Comments on potential phase 2 items listed in issue paper and straw proposal.

Comments:

No comment on this question.

3. Suggested additional items for phase 2 that are not listed in issue paper and straw and why the items need to be addressed.

Comments:

The Center for Renewables Integration (CRI) is working to facilitate adoption of “alternative transmission solutions” (“ATS”), such as energy storage, as transmission assets to address needs identified in the CAISO transmission planning process (“TPP”). There is ample regulatory basis for ISOs/RTOs to consider ATS in their infrastructure planning processes and, when an ATS is found to be a cost effective solution to a transmission need, to incorporate that ATS into the ISO-controlled transmission system and compensate its FERC-approved revenue requirements through the regulated transmission cost recovery mechanism such as the CAISO’s transmission access charge (“TAC”).

Our current efforts to advance ATS have focused specifically on the CAISO TPP, to develop a roadmap describing how an ATS developer could participate in the TPP, be successful in having the CAISO select a proposed ATS as the preferred solution to a transmission need, then proceed to construction, incorporation into the CAISO Controlled Grid, and cost recovery through the TAC. In the course of this effort we have also begun to examine the RMR model as a possible mechanism that could, with some modifications, advance adoption of ATS. For example, RMR Condition 1 already provides a model for an asset on the grid to recover a portion of its costs through a regulated cost-recovery mechanism and a portion through market participation. This type of cost-recovery arrangement does not yet exist for transmission assets, yet would be desirable for some ATS projects to ensure their financial viability while enabling them to qualify as the preferred solution in the TPP.

At the same time, the current RMR construct would probably require some modifications for it to be workable for ATS. For example, the current one-year-at-a-time RMR contracting process would probably not be sufficient to secure financing for an ATS.

CRI understands that the CAISO will soon be opening an initiative to consider how to utilize storage as a transmission asset, and we recognize that the CAISO may wish to consider use of the RMR model in that initiative instead of the present one. CRI does not have an opinion on which initiative would be the best home for the topic we are proposing. We want to ensure, however, that this topic will be given thorough consideration in at least one of these initiatives, and that there is coordination between both initiatives with regard to actions that will affect future uses of RMR.

4. Other Comments

Please provide any additional comments not associated with the items listed above.

Comments:

No comments on this question.