

# Notice

**To:** Angelina Galiteva, Chair, Board of Governors  
John Prescott, Chair, EIM Governing Body

**From:** Roger Collanton, Vice President, General Counsel and Corporate Secretary

**Date:** November 18, 2020

**Re:** Notice of Planned Decisional Classification for “Energy Storage and Distributed Energy Resources Phase 4—Storage Default Energy Bid”

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***Any objection by the Chairs to this decisional classification is due by November 25, 2020.***

This is formal notice of ISO Management’s decisional classification for the “Energy Storage and Distributed Energy Resources Phase 4-Storage Default Energy Bid” initiative. Any objection by the Chairs to the decisional classification is due by November 25, 2020. Otherwise, this initiative will be presented for decision consistent with the classification described below.<sup>1</sup>

This initiative falls within the EIM Governing Body’s advisory role (E2). This item proposes a default energy bid for local market power mitigation of storage resources in the day-ahead and real-time markets. The proposed changes would be generally applicable to the entire CAISO market footprint, and are not EIM-specific. The default energy bid for storage item was part of a package of initiatives, ESDER 4, that were intended to reduce barriers to the participation of storage resources. Accordingly, the primary driver for addressing ESDER 4 and this item in particular is not an issue specific to the EIM balancing authority areas.

This classification is consistent with the classification of the full ESDER 4 initiative, as presented in the Briefing on Policy Outlook at the June 30, 2020 EIM Governing Body meeting.

The final proposal for the full ESDER 4 initiative is located [here](#). No commenters objected to the advisory classification of ESDER 4 on the final proposal and, accordingly, the initiative was presented to the Governing Body as advisory in its September meeting. Just before that meeting, this item regarding default energy bids for storage was broken out for two more papers. The final proposal for this default energy bid item is located [here](#). Additional relevant papers for the entire initiative are located [here](#).

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<sup>1</sup> The process is described in the [Guidance for Handling Initiatives within the Decisional Authority or Advisory Role of the EIM Governing Body](#).