



Stakeholder Comments Template

Excess Behind the Meter Production: Straw Proposal

This template has been created for submission of stakeholder comments on the Excess Behind the Meter Production: Straw Proposal that was published on September 5, 2018. The Excess Behind the Meter Production, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ExcessBehindTheMeterProduction.aspx>

Submitted by	Organization	Date Submitted
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Upon completion of this template, please submit it to initiativecomments@caiso.com

Submissions are requested by close of business on **September 26, 2018**.

Please provide your organization's comments on the following issues and questions.

Gross Load tariff definition clarification

Please state your organization's position on the reporting of Gross Load tariff definition clarification as described in the Excess Behind the Meter Production: Straw Proposal: (Support, support with caveats or oppose):

If you replied supports with caveats or opposes, please further explain your position and include examples:

The Public Advocates Office¹ supports the CAISO's proposed tariff changes in the Excess Behind-the-Meter Straw Proposal² which would define gross load as load that does not include excess behind-the-meter production and would require Load Serving Entities (LSEs) to submit gross load data that excludes excess behind-the-meter production in their annual data submittals to the CAISO for transmission planning. The Public Advocates Office also recommends that LSEs provide gross load data that excludes excess behind-the-meter production to both the California Energy Commission (CEC) for incorporation into annual load forecasts and to the California Public Utilities Commission (CPUC) for incorporation into the Integrated Resource Plan.³ LSEs should also provide separate data on excess behind-the-meter production to the CEC and the CPUC. The use of consistent definitions and reporting of gross load data by the CAISO, CEC, and CPUC would support more accurate cost allocation and transmission planning.

Excess Behind The Meter Production tariff definition clarification

Please state your organization's position on the Excess Behind the Meter Production tariff definition clarification as described in the Excess Behind the Meter Production: Straw Proposal: (Support, support with caveats or oppose):

If you replied supports with caveats or opposes, please further explain your position and include examples:

The Public Advocates Office generally supports the tariff definition of excess behind-the-meter production as outlined in the Excess Behind-the-Meter Production Straw Proposal,⁴ but clarifies that this definition should not include any excess production that has been committed to another party through a contract and is scheduled in one of the CAISO markets. The Public Advocates Office agrees with the Cogeneration Association of California's point that energy under contract is already tracked and compensated.⁵

Excess Behind The Meter Production reporting and settlements

¹ The Office of Ratepayer Advocates was renamed the Public Advocates Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which was signed by the Governor on June 27, 2018 (Chapter 51, Statutes of 2018).

² *CAISO Excess Behind-the-Meter Production Straw Proposal*, September 5, 2018, (Excess Behind-the-Meter Straw Proposal), p. 9.

³ Pursuant to Public Utilities Code Sections 454.51 and 451.52, the CPUC develops a reference system plan to achieve the goals of those sections and reviews the integrated resource plans of LSEs for consistency with the requirements of those sections. The current IRP rulemaking is (R.)16-02-007.

⁴ Excess Behind-the-Meter Straw Proposal, p. 12.

⁵ Cogeneration Associate of California Comments on the Excess Behind-the-Meter Issue Paper, July 24, 2018, p. 1.

Please state your organization's position on the Excess Behind The Meter Production reporting and settlements as described in the Excess Behind the Meter Production: Straw Proposal: (Support, support with caveats or oppose):

If you replied supports with caveats or opposes, please further explain your position and include examples:

Comments:

The Public Advocates Office seeks clarification on the initiative's proposal to pay excess behind-the-meter production the locational price where it is reported.⁶ Currently, excess behind-the-meter production can appear in the CAISO markets as unaccounted for energy (UFE). The CAISO Settlements Guide defines UFE as "the difference between the net energy delivered into the Utility Distribution Company...and the total metered demand (load) within the Utility Distribution Company (UDC) Service Area."⁷ UFE is settled in the CAISO market at the real time rate. This initiative would subtract excess behind-the-meter production from UFE and value excess behind-the-meter production at its locational price. This new valuation treats excess behind-the-meter energy in the same manner as other generation that has bid into and is scheduled in the CAISO markets. Removing excess behind-the-meter production from the UFE pool, itemizing it, and valuing it at the locational price where it is reported is a potentially more accurate method of assigning market value. However, the Public Advocates Office is concerned that this new methodology has the potential to overvalue excess behind-the-meter production. The Public Advocates Office recommends that the CAISO consider that the cost of serving load through excess behind-the-meter production can be higher than the cost of serving load through generation that was planned and contracted for, invested in by ratepayers, and scheduled in the CAISO markets. Furthermore, excess behind-the-meter production, which is primarily solar rooftop photovoltaic, most likely displaces utility scale solar that is already being curtailed due to oversupply conditions in the middle of the day.⁸ As Clean Coalition stated, there are locations on the grid where rooftop solar is beneficial and locations where it is not beneficial.⁹

⁶ Excess Behind-the-Meter Straw Proposal, p. 13.

⁷ CAISO Settlements Guide, Revised August 22, 2005, p.1.

⁸ *Impacts of Renewables on Grid Operations*, CAISO, p. 1. "Oversupply during the middle of the day, when the sun is brightest, is happening more frequently and curtailing of solar resources is becoming a common practice."

<https://www.caiso.com/documents/curtailmentfastfacts.pdf>

Using Renewables to Operate Low Carbon Grid, FAQ, p. 1.

"The ISO is experiencing significant ramping needs during sunrise and sunset, as well as periods of oversupply conditions, especially pronounced during weekends when electricity demand is low and renewable production is high. These effects are primarily due to the large amount of solar resources connected to the transmission grid."

<https://www.caiso.com/.../UsingRenewablesToOperateLowCarbonGrid-FAQ.pdf>

⁹ *Distribution Resources Planning, a Foundation Policy for Modernizing the Grid*, John Bernhardt, Clean Coalition, June 12, 2017, presentation and webinar.

Additional comments

Please offer any other feedback your organization would like to provide on the Excess Behind the Meter Production: Straw Proposal.

Comments:

The Public Advocates Office's has the following additional recommendations on this initiative:

1. Clarify the potential ratepayer costs for reporting excess behind-the-meter production data: Measuring and reporting excess behind-the-meter production will likely require new investments. San Diego Gas & Electric Company stated in its comments that this reporting process will be "difficult" and "will require changes to our metering processes and systems."¹⁰ As the Public Advocates Office stated in prior comments on this initiative, the CAISO should fully consider the investments required to ensure compliance with these new reporting standards in its proposal.¹¹ The CAISO should direct the LSEs to submit the anticipated system upgrades required to provide the necessary excess behind-the-meter production reports as either negative load or as generation, along with the estimated costs of the upgrades. The CAISO should then review these assessments and determine if they are complete and correct.
2. Provide details on the impacts of exempting certain entities from the new excess behind-the-meter production reporting standards: Six Cities¹² stated in its comments that it is technically infeasible for the Six Cities' entities to comply with the proposed new excess behind-the-meter production reporting requirements.¹³ If the CAISO grants an exemption from this new reporting requirement to Six Cities, and to entities with similar pre-existing arrangements to report load figures at a Citygate,¹⁴ charges such as the Transmission Access Charge may be calculated differently for certain entities. To gain visibility into potential cost shifts that could result from this exemption, the Public Advocates Office recommends that the revised straw proposal include: 1) the percentage of overall CAISO load served by entities that would not be subject to the new requirements, and 2) a complete summary of the reporting methodologies used by these exempt entities.

¹⁰ SDG&E Comments on the Excess Behind-the-Meter Issue Paper, July 24, 2018, p. 1.

¹¹ ORA Comments on the Excess Behind-the-Meter Issue Paper, July 24, 2018, pp. 2-3.

¹² Six Cities consists of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside.

¹³ Six Cities Comments on the Excess Behind-the-Meter Issue Paper, July 25, 2018, p. 1. ("None of the Six Cities currently requires metering arrangements for behind-the-meter resources that would enable identification of excess behind-the-meter production on a granular basis").

¹⁴ Excess Behind-the-Meter Straw Proposal, p. 14.