The CAISO posted the ESDER 3 Straw Proposal on February 15, 2018 followed by a web conference on February 21, 2018. The presentation and all supporting documents can be found on the ESDER 3 webpage. The CAISO requests your comments to the overall proposals scoped for ESDER3 along with the following specific questions:

1. **Demand Response**
   - New bidding and real-time dispatch options for demand response (DR)
     - Are there other considerations the CAISO needs to address to ensure resources can feasibly respond to dispatches in real-time?
   - Removal of the single load serving entity (LSE) aggregation requirement and the need for application of a default load adjustment (DLA)
     - Is there general consensus for the removal of the DLA and including the NBT bidding rule, to enable multi-LSE aggregations?
   - Load shift product for behind the meter (BTM) storage
     - Based on the product features outlined in the straw proposal, are stakeholder aware of any CPUC regulations that need to be evaluated for potential change to accommodate the proposed load shift functionality (i.e. any RA conflicts)?
     - Are there other product features that should be considered within the proposal?
   - Measurement of behind the meter electric vehicle supply equipment (EVSE) load curtailment
     - What additional proposal details should the working group consider and/or address as the proposal is further developed?

**Comments:**

**Load Shift:** PG&E supports the concept of a load shift product with the following comments:

- PG&E believes that any shift product developed should also adhere to a version of the Meter Generating Output (MGO) methodology that includes a performance measurement or baseline to ensure that the load shift delivered is in fact an incremental service to CAISO.
  - PG&E is concerned that if a performance methodology is not used, the tie between the BTM storage device and the rest of the load at the customer premise is severed, making a load shift product non-incremental for CAISO services. Additionally, the rules for this
type of configuration still require rules at the CPUC to be developed related to metering, tariff and data access.

- PG&E supports CAISO's recommendation on page 16 to, “develop a performance measurement specific to Load Shift participation, including defining “typical consumption” to ensure incremental provision of service.”

- Regarding CAISO’s comments on if there are RA conflicts:
  - PG&E does not see any RA conflicts at this time, as CAISO is proposing that load shift capacity is not RA capacity.
  - PG&E does not support awarding RA capacity for any load increase. The value of the increasing load associated with a charge shift product may provide a solution to an economic (i.e., oversupply) issue, not a reliability issue that would warrant assigning an RA capacity value at this time.
  - DR that receives an RA value should be based on the capabilities it provides to the grid and its ability to meet the RA requirements.

- The load shift product defined at CAISO will also require equivalent rules to be developed at the CPUC—potentially in a new DR proceeding. Currently, not all of the MGO methodologies have equivalent rules at the CPUC; only MGO Option A and MGO Option B1 which have one meter and settle at the premise level have equivalent rules at the CPUC. Lastly, all work should be coordinated with the CPUC's Load Shift Working Group which is tasked with developing a technology neutral load shift product.

**Measurement of Behind the Meter EVSE Load:** PG&E supports EVSE load participating as demand response using the MGO methodology, as long as the resources are able to meet applicable NAESB Metering Generator Output standards. PG&E requests the CAISO further elaborate what metering data would be needed and what host load would be used to compare EVSE load to for baseline calculations.

As EVSEs are under retail jurisdiction, PG&E also recognizes this proposal will require the CPUC to also update its metering and data policies to support such a methodology for EVSEs. It will also require mechanisms to support cost recovery to support this methodology.

Lastly, PG&E has questions regarding interval data required:

- It is not clear how “sub-metering resolves the lack of fifteen-minute interval metering at the host facility for measurement of curtailment in five-minute intervals, enables direct measurement of the actual EV load curtailment” since with MGO the sub-metered data still has to be validated against the premise meter data to make sure the load reduction measured by the sub-meter did not result in a net export at the premise level.
- In addition, 15-minute interval SQMD at the location level is only necessary for real-time participation and is not necessary for day-ahead participation.
**New Bidding Options:** PG&E supports the new bidding and real-time dispatch options for demand response and believes it will enhance the flexibility associated with integrating in PG&E’s DR programs.

- PG&E recommends stakeholders and CAISO further discuss approaches for a common methodology for developing minimum load costs and startup costs for DR resources.

**LSE/DLA:** PG&E supports the removal of the single LSE aggregation requirement and the need for DLA.

2. **Multiple-Use Applications**
   - The CAISO proposes to perform a comprehensive review and analysis of what is needed to facilitate the rules and framework established in the MUA ruling.

   **Comments:**
   No comments.

3. **Non-Generator Resource**
   - The CAISO proposes to develop a process to define use-limited status for NGRs.
     - What are the potential use-limited qualifying factors and types of documents to qualify use-limitation?

   **Comments:**
   PG&E agrees with the CAISO’s recommendation to further investigate potential use-qualifying limitations for a NGR resource and methods to validate such limitations. PG&E also recommends the issue of use limitations be addressed in the context of FERC Order 841.¹

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

   **Comments:**
   PG&E requests that CAISO provide its analysis to stakeholders of how FERC Order 841 will impact CAISO’s current storage models (e.g., pumped hydro, NGR, and PDR.).