

## Comments on CAISO Energy Storage and Distributed Energy Resources (ESDER) Revised Scope and Schedule

July 2, 2015

On May 21, 2015, CAISO held a call to discuss the proposed scope and schedule for a new stakeholder initiative titled Energy Storage and Aggregated Distributed Energy Resources Participation (DERP). Primarily to address enhancements to CAISO's existing rules, market products, and models for energy storage and distributed energy resources, the proposal suggests separating the issues into two categories, 1) for issues to be resolved in 2015, and 2) for issues to be resolved in 2016 and beyond. On May 29, 2015, California Department of Water Resources State Water Project (SWP) submitted comments to CAISO suggesting that certain 2016 planned issues should be addressed in the 2015 timeframe. CAISO responded to stakeholder comments on June 25, 2015 with a revised scope and schedule titled Energy Storage and Distributed Energy Resources (ESDER) Stakeholder Initiative. Contrary to the initial proposal, CAISO indicated further comment on the scope and schedule would be unproductive and that they are no longer seeking to present the scope and schedule to their Board of Governors (BOG) in July. Nonetheless, SWP offers additional comment on the "revised" ESDER initiative.

### Comments

1. SWP encourages CAISO to pursue work on additional Non-Generator Resources (NGR) enhancements, scoped as 2016 Items 1 c, d, and e, as soon as possible and appreciates the CAISO's promise to begin internal work on these issues in 2015. These Items are:

- c. Explore multiple configurations for a single NGR where each configuration is allowed different operating characteristics and economic bid curves based on physical constraints of the resource.

- d. Evaluate expanding bid cost recovery for NGR to potentially cover additional resource types and configurations.

- e. Enhance load management capability and participation under the NGR model (i.e., both increasing and decreasing consumption).

Existing market participants in the CAISO wholesale market deserve at least equal priority when developing policy.

2. Although 2016 Issue 4 – Evaluate the distinction between wholesale charging energy and station power, has supposedly been addressed in CAISO's 2014 energy storage interconnection initiative, the issue was scoped here and additional clarity

## California Department of Water Resources State Water Project

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would benefit ESDER policy and development. SWP believes that the CAISO should provide similar transmission rate treatment, such as the exemption from the Transmission Access Charge (TAC), for all energy storage systems that provide in principle an energy storage system as described in California Assembly Bill 2514 Section 2835, including a mechanical system such as pump/storage which is capable of absorbing energy for a period of time and then dispatches the energy for use at a later time. The CAISO should consider equitable treatment of resources providing energy storage to the grid, to ensure that it is line with its mission and is not discriminatory. Ancillary Service markets, such as Regulation, already exist to value temporal considerations.