

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE:**

**Frequency Response Draft Final Proposal**<sup>2</sup>

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)<sup>1</sup> offers these comments on the Frequency Response Draft Final Proposal.<sup>2</sup>

In the proposal, the CAISO details a two-phased approach for compliance with NERC BAL-003-1, which establishes requirements for the CAISO’s Primary Frequency Response (PFR) capability. In phase 1, the CAISO proposes a near-term interim solution that leverages an array of solutions, including accounting solutions to transfer some PRF obligations to other WECC Balancing Authorities through a competitive solicitation process. The second phase will look at ‘in-market solutions’ which use constraints or products to ensure the CAISO’s commitment and scheduling efforts and markets yield solutions with sufficient PFR capability.

CESA understands the CAISO may at this point need an interim solution to address it BAL-003 compliance. The most important matter to CESA in this regard is to advance quickly from an interim-solution to a robust and efficient in-market solution. Such an approach should provide non-discriminatory treatment and compensation for a key reliability services while ensuring the daily, hourly, and sub-hourly fleet commitments and positioning ensure sufficient Frequency Response capability. CESA thus seeks further and definitive assurance that the CAISO will develop such a permanent solution as soon as is feasible. CESA thus asks that the ultimate design or board-memo reflect this intention and include a deadline of the end of 2016. A deadline by the end of the 2016 Calendar year should be sufficient to complete a design process if the CAISO schedules and pursues a design starting in Q2 2016. CESA also believes the CAISO should pursue this work in parallel with activities at FERC which will assess and contemplate requirements for in-market and interconnection solutions geared towards Frequency Response provisioning.<sup>3</sup>

<sup>1</sup> The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>)

<sup>2</sup> “[Frequency Response Draft Final Proposal](#)”, CAISO, Oct 12, 2015

<sup>3</sup> RM16-6-000 “Essential Reliability Services and the Evolving Bulk-Power System—Primary Frequency Response”, February 18, 2016

CESA believes a robust in-market solution as contemplated in Phase 2 will readily meet or exceed any ultimate FERC rules.