

Storage as a Transmission Asset

Stakeholder Comments Template

| Submitted by | Company | Date Submitted |
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Please use this template to provide your comments on the Storage as a Transmission Asset stakeholder initiative Issue Paper that was published on March 30, 2018.



Submit comments to InitiativeComments@CAISO.com

Comments are due April 20, 2018 by 5:00pm

The Issue Paper posted on March 30, 2018, as well as the presentation discussed during the April 6, 2018 stakeholder web conference, may be found on the [Storage as a Transmission Asset](#) webpage.

Please provide your comments on the Issue Paper topics listed below and any additional comments you wish to provide using this template.

Scope of policy examination

The ISO's initial identified scope for this stakeholder process is to enable storage to provide cost-based transmission services and participate in the market and receive market revenues. Specifically, the ISO will focus on (1) transmission-connected storage only and (2) storage resources identified as needed to provide reliability-based transmission services. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

Comments:

LS Power recommends that CAISO add the following under the scope for this initiative.

- (1) CAISO is proposing to only include resources connected to CAISO transmission system in scope for this initiative citing concerns about not having visibility for projects connected on the Utility Distribution systems. While LS Power understands these concerns and agrees with CAISO that most of the distribution connected projects should be excluded as these don't directly fit with the purpose of this initiative. We however recommend that that CAISO include a subset of these distribution projects within scope for this initiative. Projects that (a) electrically connect on the Utility Distribution side of a substation that also has a CAISO (transmission) delivery point and (b) have a Use Case of selling Energy and Ancillary Services into CAISO markets should not be excluded. CAISO should not have any visibility issues from these projects and these projects should be equally capable of resolving any transmission needs just like any transmission connected projects, therefore excluding these would be inequitable.
- (2) Under CAISO's proposed scope, only Storage projects that help offset Reliability needs are to be considered in this initiative. LS Power recommends that CAISO also include Storage projects that provide economic benefits and congestion relief to the scope. This will be consistent with how other transmission projects are evaluated and also consistent with CAISO's recent efforts in evaluating economic benefits of Local Capacity Reduction under the Transmission Planning process.
- (3) Under CAISO's proposed scope, Competitive Solicitation framework is outside scope for this initiative. As this initiative progresses and CAISO develops its policy on Storage as Transmission, there may be a need to revisit the current Competitive Solicitation framework to see if it applies fairly for Storage assets. We recommend that CAISO be open to having these discussions as part of this initiative, rather than leaving this out of scope.

Cost recovery mechanism

The ISO has offered two alternative cost recovery mechanisms for discussion as part of the issue paper:

1. Asset in PTO's TAC rate base, and
2. Contractual provision of "cost-based" transmission service without becoming a PTO

Please provide comments on these two options and any other options the ISO has not identified. Additionally, please provide comments on the "wholly in rate base" and "partially in rate base" alternatives discussed within each of the above options.

Comments:

LS Power has no comments at this time.

Allocation to high or low voltage TAC

The ISO has expressed its plans to maintain the current practice of allocating costs to high or low voltage TAC based on the point of interconnection. Please provide comments on this proposal.

Comments:

LS Power has no comments at this time.

Other

Please provide any comments not addressed above, including any comments on process or scope of the Storage as a Transmission Asset initiative, here.

Comments:

LS Power has no comments at this time.