

Stakeholder Comments Template

Energy Storage and Distributed Energy Resources (“ESDER”) Stakeholder Initiative

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Energy Storage and Distributed Energy Resources (ESDER) stakeholder initiative Revised Draft Final Proposal posted on 12/23/15 and as supplemented by the presentation materials and discussion during the stakeholder web conference held on 01/07/16.

Submit comments to InitiativeComments@caiso.com

Comments are due January 14, 2016 by 5:00pm

The 12/23/15 ESDER Revised Draft Final Proposal may be found at:

<http://www.caiso.com/Documents/RevisedDraftFinalProposal-EnergyStorageDistributedEnergyResources.pdf>

The presentation materials discussed during the 01/07/16 stakeholder web conference may be found at:

CAISO Revised Agenda and Presentation:

http://www.caiso.com/Documents/Agenda_Presentation-EnergyStorageDistributedEnergyResources010616.pdf

SCE Proposed Modification to the MGO proposal:

<http://www.caiso.com/Documents/SCEProposedModificationtoMeterConfigurationB2.pdf>

Instructions:

Listed in the following table (see first column) are the ESDER proposals requiring tariff changes and ISO Board approval (specifically two NGR enhancements plus the MGO proposal), as well as the proposal to support use of statistical sampling which does not. Please fill in the necessary information (see second and third columns) to indicate your organization’s overall level of

support for each proposal. To indicate level of support, please select one of the following options: (1) Fully support; (2) Support with qualification; or, (3) Oppose. Please provide an explanation of your organization's position in the comments column. If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

Proposal		Overall Level of Support (Fully Support; Support With Qualification; or, Oppose)	Comments (Explain position)
1. Allow an NGR resource to provide its initial state of charge (SOC) as a bid parameter in the day-ahead market.		Fully Support	ORA supports the CAISO’s proposal to allow Scheduling Coordinators (“SC”) to provide an initial day-ahead SOC value as a bid component. This allows SCs and the CAISO to more precisely manage participating resources available to them. While the CAISO will not manage the accuracy of SOC bids, uninstructed imbalance energy settlement and infeasible dispatch situations are sufficient incentives for SCs to self-monitor their resources. Furthermore, by allowing SCs to provide an initial SOC bid, SCs will have greater flexibility to maximize the economic value of their resources.
2. Allow an NGR resource the option to not provide energy limits or have the ISO co-optimize an NGR based on the SOC.		Fully Support	ORA supports the CAISO’s recognition that a SC is the more appropriate entity to optimize its SOC rather than the CAISO due to physical constraints and operational strategies. Given that the CAISO will still require the SC to comply with all other existing telemetry data requirements, and require the resource to provide SOC telemetry if in fact the resource is not self-managing its energy limits, this proposal is reasonable.
3. Allow a PDR/RDRR resource the option of a performance evaluation methodology based on Metering Generator Output (“MGO”) concepts.	As proposed.	Oppose	<p>ORA opposes the MGO concepts with the exception of Option B1 (Load Reduction). ORA opposes Option B2 (Generation Offset Only” and Option B3 (“load and Generation”). Under options B2 and B3, the Proposal allows participation of fossil-fueled Back-Up Generators (fossil-fueled BUGs) to provide demand response (DR) since the CAISO does not distinguish between fossil-fueled BUGs and generators using non-fossil fuel technologies. Use of fossil-fueled BUGs as a means of providing DR is inconsistent with the CPUC's DR policies and the State's environmental goals.</p> <p>The CPUC already rejected consideration of fossil-fueled BUGs as a means of providing DR in several previous DR proceedings, more recently in 2015. Furthermore, a CPUC staff proposal recommendation in the DR proceeding provides a potential methodology for verifying and ensuring that any generation from fossil-fueled resources (including from CHP units) is not counted towards DR capacity and receives no DR incentives. Consequently, the CPUC’s policy will limit the customers of CPUC jurisdictional entities <i>with</i> fossil-</p>

			<p>fueled BUGs to participating in Option B1 ("Load Reduction Only") in the CAISO's proposal if they desire to be compensated by utility ratepayers and/or to qualify for any Resource Adequacy (RA) credits. This is because only Option B1 separates and measures the demand reduction provided by curtailing customer's facility load. Options B2 and B3 measure and, as currently proposed, would include demand reduction enabled by fossil-fueled generation.</p> <p>To align with the CPUC and State's goals for DR, the CAISO should clarify/modify its MGO option to disallow use of fossil-fueled resources (including from CHP units) as a means of providing DR. To the extent the CAISO allows and procures DR provided from fossil-fueled resources ORA is opposed to CAISO recovering the costs of such DR from CPUC-jurisdictional utilities' ratepayers.</p>
	<p>With modification proposed by SCE.</p>	<p>Support only Option B1 under MGO</p>	<p>ORA supports SCE's alternative definition for "Event Hour" because it appropriately defines dispatch below the price threshold as a non-event hour when determining G_LM in meter configuration options B2 and B3. The price threshold was established by the CAISO to ensure that demand response provides sufficient benefits to the grid so a default load adjustment is not necessary. It follows that when determining performance and payments at times when ISO market award and dispatch is at or above the prices threshold or there is an outage, instances where dispatch was below the price threshold would be considered as a non-event hour.</p> <p>ORA's comments on the overall CAISO proposal regarding back-up generators would also be applicable with SCE's proposed definition.</p>
<p>4. Proposal to support use of statistical sampling</p>		<p>Support with Qualification</p>	<p>ORA supports statistical sampling to determine demand reduction when the necessary interval data metering is not practical or available. However, for the same reasons described in Item 3 above, the CAISO should clarify that statistical sampling could be used for customers of CPUC jurisdictional utilities with fossil-fueled BUGs only if they choose Option B1 ("Load Reduction Only") in the CAISO's MGO proposal.</p>