

Energy Storage and Distributed Energy Resources Phase 3 Comments on November 6 Workshop

Submitted by	Company	Date Submitted
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PG&E strongly encourages a narrowing of topics to be discussed in the policy development stage of this initiative. Furthermore, there is a clear division among the list of topics between carry-over issues from previous ESDER phases, and new topics. PG&E recommends addressing a realistic number of issues in this initiative phase. Otherwise, there is risk that topics move from one phase to the next without resolution as has been the case for several important topics.

Certain outstanding issues present an urgent need and should be addressed first. These include:

Demand Response (DR)

- (1) Removing the single LSE requirement and Default Load Adjustment discussions;

Non-Generator Resource (NGR)

- (2) Managing the state of charge; and
- (3) Throughput limitations for non-generator resources.

These topics support the viability of current market resources and address significant gaps in current market resource functionality. PG&E recommends these topics be resolved in this initiative.

Regarding other, less urgent topics, PG&E appreciates the collective effort from the stakeholder community to help identify what additional functionalities and features are desired to further integrate storage and distributed energy resources. As discussed during the workshop, several stakeholders are seeking a path towards increased viability or capability to realize multiple value streams and so want to explore modifications to the proxy demand response (PDR) and NGR models to achieve a desired set of characteristics.

It is clear that the CAISO intends to move forward with the DR load shift product topic. PG&E stresses the importance of remaining technology neutral. Also, and as noted during the stakeholder workshop, a load shift product could have significant impacts on rate design for wholesale and retail rates.

PG&E recognizes a significant interest in taking up the less-than-24/7 participation requirement for NGR in this initiative.

While the ESDER 3 initiative might consider modifications to DR and NGR models independently and simultaneously, we should first clarify the overarching goal. With a clear understanding of what we want to achieve, it may become apparent that some changes are unnecessary or impractical.

We encourage CAISO to take a leadership role in clarifying stakeholder understanding of what changes are desired and why current tariff provisions or market participation models prevent stakeholders from obtaining sufficient value currently. To help establish a goal to orient stakeholder efforts, CAISO should develop a broader strategic roadmap to address this perceived gap. The roadmap should holistically consider what changes to market models (e.g., NGR, PDR/RDRR, etc.), service agreements (e.g., DERP, DRP, etc.), and available services (e.g., energy, capacity, ancillary services, etc.) might be necessary to achieve identified goals. It would both inform and provide structure when tackling issues in a holistic manner instead of pursuing discrete topics that may have unseen dependencies.

Regarding the upcoming stakeholder workshop on December 11, 2017, PG&E does not anticipate that this would be productive with regard to broader multi-use application topics in light of the expected timing of the CPUC's final decision in the MUA proceeding in mid-December.