

Comments of Pacific Gas & Electric Company

*Energy Storage and Distributed Energy Resources (ESDER):
Alternative Performance Evaluation Methodologies*

Stakeholder Call to Address Advanced Microgrid Solutions (AMS) Proposal

Submitted by	Company	Date Submitted
Sebastien Csapo - (415) 973-7370 Alexandra MacKie - (415) 973-3367	Pacific Gas & Electric	October 29, 2015

PG&E appreciates the opportunity to comment on the Stakeholder call held on October 27, 2015 to discuss the baseline proposal issued by Advanced Microgrid Solutions (AMS) on October 20, 2015.

PG&E reiterates concerns previously outlined in comments submitted to the CAISO on October 9, 2015 and October 19, 2015, which address unresolved issues related to jurisdictional matters, multi-use applications, metering configurations, billing/IT capabilities, overlapping/double payments, and baseline/set-aside measurements.

The AMS proposed performance evaluation methodology (“baseline”), which was the focus of the Stakeholder call, did not adequately address overlapping/double compensation for retail and wholesale functions. PG&E reiterates concerns regarding dual compensation for simultaneous services. Even AMS acknowledges that the issue of overlapping compensation is unresolved, when it recommends in its proposal that “...retail and wholesale functions continue to be discussed as part of the Phase II of the CAISO’s Energy Storage and Distributed Energy Resources (ESDER) Stakeholder Initiative.”

Based on discussion during the Stakeholder call, PG&E understands that the CAISO plans to issue a modified version of the AMS proposal that would reduce the look-back period from 10 to 5 non-event days. Presumably, this updated proposal will be issued by November 2, 2015 as part of the Draft Final Proposal, and PG&E looks forward to reviewing and providing comment on a more explicit explanation of the proposal.

While PG&E maintains that the best course of action is to slow the timeline for the Phase I of the ESDER process, in the interest of advancing thoughtful policy development for the deployment of DERs, PG&E proposes that the CAISO’s forthcoming revised performance evaluation methodology be utilized as a **pilot** for a set (*emphasis added*) period of time (e.g. one-year) and only for the specific project(s) which are under consideration at this time with the understanding that modifications that address double-

counting and other identified concerns would occur as part of the ESDER Phase II process. Any approval by the CAISO to use an alternate performance evaluation methodology in this case should not be considered to set a precedent for future use, but may be used to inform further discussion on appropriate tariff structures as part of the Phase II process. This pilot would have a predetermined end date that coincides with the Phase II timeline and may not necessarily require formal tariff approval at FERC.

As stated in prior comments, an issue as important as this deserves a more fully vetted process, particularly as some of these issues are being addressed in separate, but related, venues at the CPUC. For example, the CPUC seeks to directly address some of these topics in Track 2 of the Energy Storage OIR, and PG&E views this proceeding as a potential opportunity for CAISO/CPUC alignment on the “retail vs. wholesale split.” Another important area for coordination and consolidation pertains to the DER and Demand Response (DR) initiatives with the Electric Distribution Resources Plans filed by PG&E and other utilities at the CPUC.