

**From:** [Amanda Stevenson](#)  
**To:** [phase2ri](#)  
**Subject:** Xtreme Power Comments on the RI-MPR2 Oct. 11th Roadmap ("Proposal")  
**Date:** Friday, October 21, 2011 8:07:42 PM  
**Attachments:** [image001.png](#)

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Dear CAISO,

Xtreme Power ("XP") appreciates the opportunity to comment on the CAISO's October 11<sup>th</sup> "**Market Vision & Roadmap**" ("Proposal") and the discussion on the October 18<sup>th</sup> stakeholder conference call about the Proposal.

XP is a vertically integrated developer & manufacturer of the Dynamic Power Resource™ "DPR™", a power management and storage solution which enables the digital control of power at utility scale. XP's DPR™ can provide fast and accurate Regulation Service like flywheels and other Limited Energy Storage Resources ("LESRs"), by rapidly injecting into and withdrawing power from the grid to follow moment-by-moment demand and frequency changes.

The Proposal is part of the CAISO's Renewables Integration - Market and Product Review, Phase 2 ("RI-MPR2") initiative. The Proposal has been revamped to focus mainly on specific "mid-term" (2013-2015) initiatives. One of these initiatives is "Pay for Performance Regulation." At this time, XP welcomes the inclusion of a pay-for-performance initiative within the updated RI-MPR2 roadmap.

XP understands that the dates for this initiative are currently listed as *TBD* by the CAISO, contingent upon FERC action. Now that FERC has issued a Final Rule on Frequency Regulation Compensation on October 20<sup>th</sup>, XP recommends that this initiative be scheduled to comply with the implementation dates outlined in the rule. In addition, this timeline should coincide nicely with the CAISO's regular Fall 2012 software release. Along with CESA, XP strongly supports this timing, because postponing design and implementation of the new regulation design beyond that time frame would significantly delay investment in energy storage technologies that are currently operating and adding tremendous value to the grid in other regions of the country.

Therefore, XP recommends that the *next* version of CAISO's Proposal include a specific plan and schedule to fully develop and implement the guidance provided by FERC within the required timeframe.

In advance, thank you for your efforts on this initiative and we look forward to working with the CAISO on the expeditious implementation of Pay for Performance Regulation.

**Amanda Stevenson**

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