

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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ARES appreciates the California ISO's consideration of its request that the ISO include in the scope of this initiative an evaluation of its regulation market and how resources are compensated for providing regulation service to the ISO.

ARES recognizes that the scope for the 2015 tariff changes was intended to include issues that could be addressed and submitted to the Board by the end of this year. However, ARES would like to emphasize the importance of including in its 2016 initiative an assessment of its regulation market rules on the participation and economic viability of fast-response storage resources. These storage resources are in a position to provide tremendous value to the ISO market and support reliability. As ARES noted in its stakeholder comments in May, the entry of energy storage technology, which is uniquely suited to meet regulation service needs most efficiently, will not occur, or will be delayed, if the market is not designed and operated in a manner that incentivizes such entry. This initiative provides the opportunity to identify what needs to be done to improve regulation market design and ISO operations, particularly with respect to establishing and enforcing minimum performance standards, to ensure timely and effective entry by energy storage.

ARES looks forward to working with the ISO to support this evaluation and evolution of its regulation market rules, and urges the ISO to include this in its scope for the 2016 initiative.