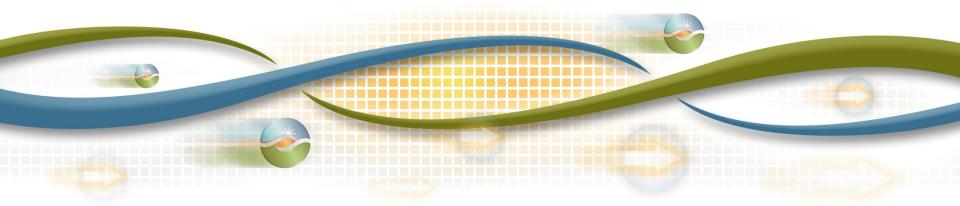


## Energy storage and distributed energy resources phase 2 – ESDER2

Greg Cook Director, Market and Infrastructure Policy

Board of Governors Meeting General Session July 26, 2017



The proposal includes enhancements to the demand response participation models and clarifies the definition of station power for storage resources.

**Decisional items** 

- Add new demand response performance evaluation methods
- Clarify station power treatment for storage resources

## Consent agenda item

 Incorporate additional gas indices into the net benefits test calculation to reflect all real-time market regions



The proposal enhances demand response market participation models by providing additional performance evaluation methods.

- Current baseline method does not accurately reflect the performance of certain demand response resources.
- Proposal introduces new baseline methodologies to better reflect the performance of various demand response resources:
  - 10-in-10 day-matching customer load baseline (current),
  - control groups,
  - weather matching, and
  - additional day matching baseline relying on customer's electricityuse data.



Baseline calculations will be shifted to the demand response provider or its scheduling coordinator.

- Demand response provider or its scheduling coordinator can choose the baseline that provides best fit
- Scheduling coordinator submits performance data to the ISO as settlement quality meter data based on the applicable performance evaluation method
- Proposed change provides a more consistent and flexible approach to performance calculation management and processing



The proposal includes revisions to the definition of station power to provide increased regulatory certainty to storage resources.

- Proposal provides clarity on distinguishing energy used to charge a storage device versus energy to supply station power:
  - 1. Simplifies the station power definition to incorporate by reference the definitions applied by local regulatory authorities
  - 2. Includes wholesale use examples in business process manual such as charging energy, resistive losses, blackstart energy, pumping load, and synchronous condensers.
  - 3. During interconnection process, resources will affirm to the ISO that they comply with retail tariff requirements.



Stakeholder are generally supportive of the proposal.

- Robust support for alternative baselines, which can be contributed to successful stakeholder led working group.
- Support of the station power proposals simplified approach and deference to local regulatory authorities.



Management requests the Board of Governors approve the ESDER 2 proposal:

- New demand response performance evaluation methods lower barriers to ISO market participation and provide fair treatment for demand response resources
- Proposed revisions to station power definition provide increased regulatory certainty for storage resources

