

Stakeholder Process: Expanding Metering and Telemetry Options – Distributed Energy Resources Provider

Summary of Submitted Comments

Stakeholders submitted six rounds of written comments to the ISO on the following dates:

- Round One (comments on Straw Proposal), 11/20/14
- Round Two (comments on Revised Straw Proposal), 05/27/15
- Round Three (comments on Draft Final Proposal), 06/24/15
- Round Four (comments on draft tariff language), 09/29/15
- Round Five (comments on revised draft tariff language), 10/21/15
- Round Six (comments on Supplement to the Draft Final Proposal), 11/17/15

Stakeholder comments on policy papers are posted at: <http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=66A6B052-E2D5-48C7-89C4-9414B36C0001>

Stakeholder comments on proposed tariff language are posted at: <http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=BAA9EEB9-0DC6-4737-B0B8-31F5B775210A>

Other stakeholder efforts include:

- Stakeholder call on Straw Proposal, 11/13/15
- Stakeholder call on Revised Straw Proposal, 05/19/15
- Stakeholder call on Draft Final Proposal, 06/17/15
- Stakeholder call on draft tariff language, 10/01/15
- Stakeholder call on revised draft tariff language, 10/29/15
- Stakeholder call on Supplement to the Draft Final Proposal, 11/17/15

Management proposal	California Energy Storage Alliance	Pacific Gas and Electric Company	Powertree Services	San Diego Gas & Electric	Southern California Edison	SolarCity	Management response
<p>Replace certain prior Board-approved limitations on distributed energy resource (DER) aggregations across multiple pricing nodes with less restrictive rules.</p>	<p>Support.</p> <p>Less restrictive rules will expand market access to a wider array of DER aggregations without negative effects on congestion or system reliability.</p>	<p>Oppose with qualification.</p> <p>Concerned that resources will not respond according to their distribution factors. Recommends that the ISO implement a MW cap on total DER aggregation participation for a period of two years and that the ISO should publish audit results to allay concerns about market manipulation by DER aggregations.</p>	<p>Support.</p> <p>The proposal reflects the necessary structures to achieve market entry and operational viability for aggregated DERs.</p>	<p>Support with qualification.</p> <p>Recommends an initial limitation on the overall volume of DERs participating in the wholesale market to allow for the CPUC, ISO, and investor-owned utilities to gain experience and ensure that dual usage of DERs is adequately addressed.</p>	<p>Conditional.</p> <p>Recommends (1) the ISO develop rules that require DER aggregations to reasonably perform in accordance with their distribution factors and (2) that the ISO make the proposal interim (e.g., two years) while real time mechanism is developed to verify distribution factors match performance.</p>	<p>Support.</p> <p>The proposed enhancements are a major step forward and will expand the market to allow DERs to effectively participate in the ISO market with no negative market outcomes.</p>	<p>Management believes it has addressed the issues raised by Pacific Gas and Electric Company and Southern California Edison for the following reasons. First, Management will propose a tariff requirement that a distributed energy resource aggregation must provide a net response at its constituent pricing node(s) that is consistent with ISO dispatch instructions and applicable generation distribution factors. Second, distributed energy resource aggregations are scheduling coordinator metered entities (SCME), thus the scheduling coordinator for an aggregation is required to conduct annual self-audits and the ISO will have the authority to perform audits at any time. Management will explain the scope/requirements of the self-audit in the ISO's Business Practice Manuals. Third, Management will propose a tariff requirement that distributed energy resource providers must make settlement quality meter data from individual distributed energy resources comprising an aggregation available to the ISO upon request. Fourth, for aggregations of 10 MW or greater and for those as small as 1 MW providing ancillary services, the ISO will know in real-time whether its response is consistent with the applicable distribution factors since it must provide telemetry at the pricing node level in accordance with the ISO's standards for telemetry.</p> <p>Rather than implementing a total cap on distributed energy resource aggregation participation or making its proposal interim, Management intends to utilize the means described above to monitor the market behavior of DER aggregations relative to applicable distribution factors, and where there is unreasonable divergence, take appropriate action as necessary.</p>

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							<p>Regarding SDG&E's concerns about dual use, Management responds that these issues were previously considered when the Board approved Management's proposal in July. Management will propose a tariff requirement that aggregations must comply with applicable utility distribution company tariffs and requirements of the applicable local regulatory authority. Management also points out that dual use issues are separately being explored in the ISO's energy storage and distributed energy resources ("ESDER") stakeholder initiative as well the CPUC's energy storage proceeding.</p> <p>Management will continue to explore additional enhancements as the ISO gains operational experience with distributed energy resource aggregations. These enhancements may include changes to telemetry and/or SCME requirements for DER aggregations.</p>