



## Stakeholder Comments Template

### Energy Storage and Distributed Energy Resources (ESDER) Phase 4

This template has been created for submission of stakeholder comments on the Straw Proposal for ESDER Phase 4. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the [initiative webpage](#).

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business **May 17, 2019**.

Submitted by	Organization	Date Submitted
<i>Michael Kramek</i>	<i>Boston Energy Trading and Marketing LLC</i>	<i>5/17/2019</i>

**Please provide your organization's general comments on the following issues and answers to specific requests.**

#### 1. Non-Generator Resource (NGR) model SOC parameter

Boston Energy remains supportive of the ISO Implementing an optional end of hour state of charge constraint in the real-time market software. If an hourly parameter presents technical/resource challenges then we would support introducing an end of day state of charge constraint in real-time as an interim solution until an end of hour parameter can be implemented.

The issue of constraint priority was raised on the straw proposal review call. Since this field is optional, if used by the scheduling coordinator, it should be given the highest priority over all other energy scheduling constraints (i.e. self-schedules). The ISO is basically planning to violate "economic constraint" to honor the state of charge parameter so we don't see why energy self-schedules should be treated differently than economic schedule priority.

Last, the ISO should not violate any physical resource constraint (i.e. ramp rate, max charge/discharge, etc.) in order to meet an end of hour state of charge level.

#### 2. Bidding requirements for energy storage resources

Boston Energy is supportive of comments made by CESA in that we feel the development of default energy bids (DEBs) and the application of market power mitigation measure to energy storage resources is premature and the ISO could better focus its efforts on improving overall participation requirements and improving its regulation and flexible

ramping products to take advantage of the flexibility and speed energy storage resources provide.

That said, if the ISO moves ahead with its proposal the ISO must include a method to allow energy storage resources to represent cell degradation and variable operations and maintenance cost in the default bid. Failing to do so would treat energy storage resources differently than traditional and hydro resources. This practice might be seen by FERC as discriminatory. While Boston Energy acknowledges the ISO when it stated the technology is still new and uses in the energy markets are still evolving, this doesn't mean cell degradation and variable operations and maintenance costs aren't real cost and should be knowingly ignored because the ISO doesn't have a good handle/process for reflecting them in DEBs.

Further, given the nature of energy storage technology the rate and costs of both cell degradation and variable operations and maintenance will likely change overtime and the ISO needs to develop a process where a resource can reflect its actual degradation/operations and maintenance costs at all times.

### 3. DR operational characteristics

- a. Please provide comments on the CAISO's three options.

Boston Energy provides no comments at this time.

### 4. Variable output DR

- a. CAISO requests additional detail and reasoning from stakeholders who believe a more appropriate method exists for determining QC than applying an ELCC methodology.
- b. CAISO requests stakeholder feedback on controls needed to ensure that forecasts accurately reflect a resource's capability.

Boston Energy provides no comments at this time.

### 5. Non-24x7 settlement of behind the meter NGR

Boston Energy strongly supports the ISO modifying its 24x7 participation requirement for BTM NGR resources in order to comply with the CPUC Multi-Use Application proceeding. This should be given a very high priority in this straw proposal.

Boston Energy asks the ISO to clarify if it only intends to address the non-24x 7 settlement requirements for BTM-NGR's for non RA resources?

- a. As a behind the meter resource under the non-generator resource model, any wholesale market activity will affect the load forecast. How will load serving entities account for changes to their load forecast and scheduling due to real time market participation of behind the meter resources?

Boston Energy is not an LSE but asks how do LSE's account for PDR and RT Demand Response in their load forecasts today? A BTM-NGR is very similar to a PDR resource and its unclear why the approach would be different for BTM-NGR's.

- b. How would a utility distribution company prevent settling a resource at the retail rate when the behind-the-meter device is participating in the wholesale market?

Boston Energy is not a utility distribution company but offers that the ISO and the utility distribution company should handle this through the meter setup during the NRI process. In non-engineering terms whether to include the BTM resource in the utility meter calculation should be set by a switch based on whether the BTM-NRG is participating on the ISO market or not. .

- c. If a behind-the-meter resource is settled only for wholesale market activity, what would prevent a resource from charging at a wholesale rate and discharging to provide retail or non-wholesale services? How would this accounting work?

Boston Energy asks the ISO to clarify its question with a specific example.

#### **6. Additional comments**

Please offer any other feedback your organization would like to provide from the topics discussed during the working group meeting.