

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the ESDER Phase 3 Straw Proposal.



Submit comments to InitiativeComments@CAISO.com

Comments are due March 7, 2018 by 5:00pm Pacific Time

The CAISO posted the ESDER 3 Straw Proposal on February 15, 2018 followed by a web conference on February 21, 2018. The presentation and all supporting documents can be found on the [ESDER 3](#) webpage. The CAISO requests your comments to the overall proposals scoped for ESDER3 along with the following specific questions:

1. Demand Response

- New bidding and real-time dispatch options for demand response (DR)
 - Are there other considerations the CAISO needs to address to ensure resources can feasibly respond to dispatches in real-time?
- Removal of the single load serving entity (LSE) aggregation requirement and the need for application of a default load adjustment (DLA)
 - Is there general consensus for the removal of the DLA and including the NBT bidding rule, to enable multi-LSE aggregations?
- Load shift product for behind the meter (BTM) storage
 - Based on the product features outlined in the straw proposal, are stakeholder aware of any CPUC regulations that need to be evaluated for potential change to accommodate the proposed load shift functionality (i.e. any RA conflicts)?

- Are there other product features that should be considered within the proposal?
- Measurement of behind the meter electric vehicle supply equipment (EVSE) load curtailment
 - What additional proposal details should the working group consider and/or address as the proposal is further developed?

Comments:

- New bidding and real-time dispatch options for demand response (DR)
 - Are there other considerations the CAISO needs to address to ensure resources can feasibly respond to dispatches in real-time?

The Council appreciates CAISO’s decision to address this high priority issue as it has a significant impact on our members who are participating in the Demand Response Auction Mechanism. It is our understanding that unexpected residual unit commitment (RUC) awards have been an issue for demand response resources participating in DRAM.

CAISO’s proposal to offer a variant of the intertie bidding option to Proxy Demand Response (PDR) resources is a significant improvement as PDRs would have longer notification times and extended real-time dispatch intervals. This should allow PDRs a real opportunity to participate in the real-time market. We applaud CAISO for recognizing the need to leverage existing market functionality to enable demand response to participate more effectively in the market.

The Council does share concerns expressed by other stakeholders, however, that this proposal may not fully address all the RUC issues and issues associated with infeasible dispatch in real time. Since demand response does not idle or ramp in the same way as generation, and the PMin and PMax are actually the same for many demand response aggregations, it is difficult to determine the value for demand response to move from “normal state” to “ramping.” Stakeholders have also raised the issue of the difficulties associated with “start-up” costs for demand response resources as they often vary considerably and thus are harder to quantify. While CAISO’s proposal is a significant first step, it will be important to address these additional issues in more detail.

- Removal of the single load serving entity (LSE) aggregation requirement and the need for application of a default load adjustment (DLA)
 - Is there general consensus for the removal of the DLA and including the NBT bidding rule, to enable multi-LSE aggregations?

The Council appreciates CAISO’s prioritization of the removal both the default load adjustment and the single LSE requirement to allow aggregators to form demand

response aggregations across bundled, unbundled and community choice aggregation customers. It has been very helpful to see the results of CAISO's analysis of the total default load adjustment affected MWs and the conclusion that removing the DLA results in de minimis settlement impacts. The Council supports CAISO's proposal, including the proposal to utilize the NBT threshold price to screen submitted bids from PDR resources and only accept bids above the established NBT threshold price.

- Load shift product for behind the meter (BTM) storage
 - Based on the product features outlined in the straw proposal, are stakeholder aware of any CPUC regulations that need to be evaluated for potential change to accommodate the proposed load shift functionality (i.e. any RA conflicts)?
 - Are there other product features that should be considered within the proposal?

The Council supported keeping this issue in scope but expressed concern that the proposal only lends itself to participation by batteries and should be expanded to allow additional resources to participate as load shift. We do understand that there is an effort underway at the CPUC to take up this issue also in the Load Shift Working Group, so we will continue to advocate that multiple resources should be able to participate in future iterations of this product development.

- Measurement of behind the meter electric vehicle supply equipment (EVSE) load curtailment
 - What additional proposal details should the working group consider and/or address as the proposal is further developed?

The Council supported the proposal to extend the meter generator output (MGO) model to electric vehicle supply equipment (EVSE) for the purposes of participating in Proxy Demand Resource. We believe that this will be relatively straight-forward for CAISO to implement since the MGO framework is already in place, and this issue also fits well within California's broader greenhouse gas policy imperatives and continues CAISO's own process to maximize the value of distributed energy resources, including sources of flexible consumption. The Council is pleased that CAISO has prioritized this issue and appreciates that CAISO intends to continue to explore and better understand sub-metered load capabilities and the potential for under valuation of their contribution to a facility's performance utilizing current baseline methodologies.

2. Multiple-Use Applications

- The CAISO proposes to perform a comprehensive review and analysis of what is needed to facilitate the rules and framework established in the MUA ruling.

Comments:

The Council has no comments at this time.

3. Non-Generator Resource

- The CAISO proposes to develop a process to define use-limited status for NGRs.
 - What are the potential use-limited qualifying factors and types of documents to qualify use-limitation?

Comments:

The Council has no comments at this time.

4. Other comments

Please provide any additional comments not associated with the topics above.

Comments:

The Council is very disappointed that one of our highest priority issues that had significant stakeholder support has been eliminated from the ESDER 3 proposal. We continue to believe it is critical to explore bidding options that reflect the variability of demand response, as this has been a critical issue for our residential demand response providers in particular.

We do understand that the CPUC Scoping Memo in the Resource Adequacy (RA) proceeding (R.17-09-020) proposes to revisit RA counting rules for weather sensitive and local demand response resources” in Track 3, “expected to be concluded by June 2019.” This is very disappointing as failure to discuss better counting rules and bidding options for these variable resources will likely decrease the ability for residential demand response to participate in CAISO markets in a meaningful way. We are very concerned that CAISO has decided to defer this item in ESDER 3 as that significantly impacts the ability for CAISO and stakeholders to have a proposal in place for consideration in the RA proceeding. We respectfully request that CAISO reconsider deferral of this issue that was ranked very high by stakeholders and instead develop a proposal that can drive the timing in the CPUC RA proceeding instead of the other way around.