

COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE:

Reliability Services Workshop, April 23, 2014

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)¹ appreciates the opportunity to participate in and comment on the Reliability Services Workshop held on April 23, 2014. As CESA has indicated in previous comments, CESA strongly supports the view expressed in the Joint Reliability Plan² that California should be planning for the grid needs of the future, not the grid needs of the past. CESA strongly supports the historic opportunity to work with the CAISO, and stakeholders including the California Public Utilities Commission (CPUC), California's utilities, and other load serving entities (LSEs) to define an approach to Reliability Services and Resource Adequacy (RA) that allows all electric system resources, including energy storage, to participate where they provide the most value to grid reliability, ratepayer benefit, and benefit to society.

CESA understands that the CAISO has deferred development of a multi-year backstop and voluntary forward auction market design until the CPUC's multi-year RA process is near completion, and does not oppose the CAISO's revised scope and phasing of the initiative.

CESA supports the CAISO's intent to establish default qualifying capacity criteria for NGR and distributed energy resources through this initiative³. CESA points out that the CAISO's temporary NQC levels being used to study energy storage in the Cluster 7 deliverability assessment⁴ may be problematic for valuing flexible capacity appropriately if effective flexible capacity values are bundled with net qualifying capacity. CESA reiterates its support for the unbundling of effective flexible capacity values and net capacity values for flexible non generator resources such as storage.

During Phase 1 of the initiative, CESA encourages the CAISO to coordinate development of use limited resource (ULR) criteria in collaboration with the CAISO's infrastructure policy team leading the energy storage interconnection initiative. For example, in comments on the

¹ The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>)

² Adopted November 14, 2013.

³ p.30 of the April 23 CAISO presentation

⁴ <http://www.caiso.com/Documents/EnergyStorageProjects-SupplementalInformation.pdf>

energy storage interconnection initiative, CESA recently recommended that the CAISO develop methods to allow studied generators to opt for operational constraints in order to minimize network upgrades. It is important that such operational constraints be developed in a manner that is consistent with the market participation criteria being developed in this reliability services initiative.

CESA also supports the CAISO's commitment to address deliverability studies for NGRs in a separate stakeholder initiative, and encourages that to be part of the CAISO's broader efforts to combine the NGR and PDR products.

CESA looks forward to continued participation in this initiative, and thanks the CAISO for its thorough and transparent presentation on April 23 outlining the CAISO's roadmap for this initiative.