

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE:**

**Energy Storage and Aggregated Distributed Energy Resources Enhancements:  
Proposed Scope and Schedule**

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)<sup>1</sup> offers these comments on the Energy Storage and Aggregated Distributed Energy Resources (DER) Participation Stakeholder Initiative’s Proposed Scope and Schedule.<sup>2</sup> This initiative will develop key market design enhancements to support and enable participation of energy storage and distributed energy resources. The proposal tees up items to address in 2015 as well as 2016, with a plan to present a draft final proposal on scope and schedule to the CAISO Board of Governors for approval in July 2015.

CESA appreciates the CAISO’s work to create a market place with participation opportunities for all technologies, within reason. This work will enable non-discriminatory market access and services from energy storage and aggregated distributed energy resources, helping to integrate renewables and capture the value of energy storage and DER deployments.

While CESA supports much of the proposed scope, CESA recommends multiple changes for the 2015 scope in order to prioritize the most pressing rule-changes.

**1. Multiple critical items scoped for 2016 should be addressed in 2015 instead.**

The CAISO’s schedule prioritizes the development of critical rule enhancements for 2015, paving the way for projects currently underway to fully participate in the market in line with CPUC-reviewed project timelines. CESA supports this approach but recommends scoping adjustments through which the CAISO can better ensure scheduled projects come online and have appropriate access as market participants.

**a) Key Non-Generator Resource (NGR) enhancements should occur in 2015.**

<sup>1</sup> 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>)

<sup>2</sup> “[Energy Storage and Aggregated Distributed Energy Resources Participation Stakeholder Initiative: Proposed Scope and Schedule](#)”, CAISO, May 21, 2015.

Two of the proposed “Additional NGR Enhancements” need to be prioritized for 2015. These enhancements include “Interconnection Requirements for Non-Exporting NGR,” and “Enhanced Load Management Capability and Participation Under the NGR Model.” If needed, “Bid-Cost Recovery (BCR) for NGR Participants” should also be prioritized if NGR units may be dispatched out of line with bids due to the newness of this functionality. CESA expects the BCR needs could diminish once the planned 2016 enhancement, “Multi-Configuration NGR Modeling”, implements.

These changes are important because they will provide important market access to resources expected online in 2016. For instance, energy storage projects seeking to provide local capacity and market services seek clearer pathways for metering configurations and alternatives. With the proposed NGR enhancements conducted in 2015, these projects can begin market participation in a timely manner.

**b) Alignment between distribution level interconnection and the ISO NRI process should occur in 2015.**

CESA recommends this change because the lack of clear alignment in the interconnection/NRI process is a major practical barrier to access and developments of distributed NGRs and is a critical path item. CESA suggests that if this alignment issue and associated metering and settlement issues are not addressed promptly, DER projects may be unable to interconnect and participate. Due to the technical nature of this topic, it was not always prominently discussed in the Energy Storage Roadmap process but deserves inclusion in the 2015 scope of this initiative.

**c) If needed, reforms for Dynamic Transfers and Pseudo-Tie functionality could be deprioritized to 2016.**

As CESA understands it, there is no immediate need for Dynamic Transfer and Pseudo-Tie functionality for storage resources. The CAISO can therefore deprioritize enhancements to this functionality and switch these matters to the 2016 scope.

**2. The proposed 2015 tariff revisions to address multiple use applications should include revisions to both RA and non-RA applications.**

Multiple use applications provide compelling opportunities for better utilization of grid resources and cost-savings for ratepayers. The development of rule enhancements for these applications is appropriate and timely.

The CAISO should redefine the scope for multiple-use applications to include both RA and non-RA applications. While multiple use applications may be more complicated by RA rules, the Scheduling Coordinator for such resources should generally manage the performance risks and requirements associated with RA resources. The Reliability Service Initiative rules provide signals and incentives for market participants to manage their obligations appropriately. Moreover, since RA resources in these multiple use applications are being

considered for use in 2016, e.g. for the SCE LCR “local” need, these RA multi-use applications should be in scope for 2015.

**3. PDR/RDRR baseline alternatives scoped for 2015 should include considerations of alternative metering styles that accommodate multiple resources at the same site.**

CESA supports the PDR/RDRR enhancements scoped for 2015 but recommends the CAISO explicitly state that the process will include a review and consideration of the metering alternatives that can account for multiple resources at the same site (such as load controls and storage). CESA is unclear regarding whether the NAESB Measurement and Verification standards already accomplish this and so recommends this change. The change should include a review of methodologies used by other Regional Transmission Operators such as PJM where baseline methodologies that account for multiple resources have been explored.

**4. The CAISO should prevent delays in developing these rules by assigning adequate staff/resources for both the 2015 and 2016 scopes.**

CESA appreciates the time and effort of CAISO staff, the staff of other agencies, and stakeholders who have worked to clarify and enhance the roles and participation pathways for energy storage and aggregated distributed energy resources. While much work has been done, much work remains to be done. Finalized and implemented rules are important to the real-world participation of these resources. Accordingly, CESA requests the CAISO prioritize these efforts for 2015 and 2016 and establish staff roles to effectuate this prioritization.<sup>3</sup>

**5. CAISO Tariff and BPM changes codifying wholesale charging were addressed in the Energy Storage Interconnection initiative and should be removed from scope here.**

Because this issue was addressed in the Energy Storage Interconnection stakeholder initiative, the CAISO can remove it from scope here.<sup>4</sup> That initiative should yield the appropriate tariff changes, if not already completed. This reduction in scope will make this initiative more manageable.

**6. Timing for this initiative should synch with other initiatives.**

In line with the Energy Storage Roadmap, a master plan for rule enhancements and regulatory reforms needed to remove barriers and allow for reasonable valuations of energy storage and DERs in the state’s electric system is needed. This plan should detail the timing of key milestones across agencies and align progress. To the extent feasible, the CAISO should coordinate its schedule for this initiative with plans for other initiatives. This coordination

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<sup>3</sup> CESA is concerned that delays could be problematic. Delays on other initiatives have occurred, creating uncertainty and difficulties for would-be energy storage and DER market participants. (See [Expanding Metering & Telemetry, Distributed Energy Resource Provider Straw Proposal](#), pgs. 12-13.)

<sup>4</sup> [“Advancing and Maximizing the Value of Energy Storage Technology – A California Roadmap”](#), CPUC, CEC, and CAISO, December 2014, pg. 10

should, where feasible, stretch to include CPUC proceedings, such as the Storage OIR. For example, the CPUC Storage OIR schedule lists a need to develop a measurement and evaluation plan for 2016.<sup>5</sup> Such a plan will require information from the CAISO regarding the roles of energy storage and DERs in providing market services, likely requiring operational data. This coordination will require the CAISO to adhere to a relatively quick schedule for and implementation of this initiative.

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<sup>5</sup> *Order Instituting Rulemaking to Consider Policy and Implementation Refinements to the Energy Storage Procurement Framework and Design Program (D.13-10-040, D.14-10-045) and Related Action Plan of the California Energy Storage Roadmap*”, Rulemaking 15-03-011, California Public Utilities Commission, April 2, 2015, pgs. 9-10.