

Stakeholder Comments Template

Submitted by	Company	Date Submitted
<p>Joint Demand Response Parties</p> <p>Mona Tierney-Lloyd (mtierney-lloyd@enernoc.com)</p> <p>Jennifer Chamberlin (Jennifer.Chamberlin@cpowerenergymanagement.com)</p> <p>Erika Diamond (diamond@energyhub.net)</p>	<p>JDRP</p>	<p>10.18.17</p>

Please use this template to provide your comments on the discussion from the Energy Storage and Distributed Energy Resources Phase 3 stakeholder call at the California ISO on October 12, 2017.

Submit comments to initiativecomments@CAISO.com

Comments are due October 18, 2017 by 5:00pm Pacific time



Please provide your comments on the topics listed below from the Issue Paper presentation discussed during the October 12 stakeholder call, as well as any additional comments you wish to provide using this template.

1. Please provide comments on whether your organization supports or opposes the Demand Response proposal item, as well as the reasons why.

The JDRP support the demand response proposal generally with just a few additional suggestions and were pleased to see such a comprehensive list of issues being addressed.

In particular we were happy to see that there is a recognition that similar to wind and solar, the PMax of some DR resources can vary with weather. Weather sensitive loads are known to drive system peaks and so it is logical to try to find a solution that recognizes the unique characteristics of the resource in the design of the market. This insures that aggregations of loads (e.g. residential HVAC) are compensated appropriately and fairly, and that the CAISO has visibility into the true capacity, when it is most needed. While we recognize that these resources are variable, it should be stressed that they are also flexible, reliable and predictable.

We were happy with the progress made in ESDER II on addressing the need for additional baseline methodologies that better reflect the characteristics of these resources and hope that in Phase III a solution can be adopted that allows utilities and third-party DRPs to use non-participant control groups. We also support the coordination of the ESDER III process with the weather sensitive loads working group developed as part of the most recent RA decision.

The market design must accommodate aggregations of DERs more broadly than a subLAP basis in order to avoid an inherent bias against DERs. DER aggregations are not point resources and the individual resources belonging to aggregations are generally of a small size. In addition, more and smaller aggregations should be expected with the proliferation of CCAs. Requiring DERs to fit into narrowly drawn subLAP boundaries fails to acknowledge a fundamental difference between DERs and conventional generation. While the CAISO market model may have been designed for central station fossil generation, the reality of the system has changed. CAISO cannot be said to be resource agnostic when its market design creates impediments for the development of DERs. DER aggregations are different – they are not inferior simply because they are not readily adapted for a man-made market model that has inherent advantages for conventional generation and erects barriers for DERs.

We will note that during the Web Conference that this topic was referred to as something that affected “crumbs” of the DR utility DR portfolios and thus may be of lower import to the CAISO than other issues. The JDRP have found this to be a significant barrier in integrating customers we serve, and with the DRAM Pilots continuing expect this to become a larger issue – particularly for third party DR providers who have a smaller group of customers to work with than the IOUs in their own programs and whose customer base is disproportionately made up of customers with differing LSEs – as these customers who have chosen where possible to make their own energy procurement decisions are also eager to make other energy management decisions such as participating in market based DR programs.

While we appreciate the reasons for narrowing the focus of the load-consuming demand response (or bi-directional DR) and load shift products to address the potential for better incorporating energy storage, we would urge the stakeholders and CAISO to expand what is in scope to include thermal storage as well. There is significant thermal storage capacity – which has grown with the increase in opportunities for large aggregations of mass market customers – and these resources can provide local, flexible and systemwide products. Weather sensitive loads are included in this bucket; they charge when power is plentiful, cheap and clean (cooling the thermal mass of buildings in summer, or heating it in winter) and discharging when called upon (allowing the cooled thermal mass to absorb the heat of summer peak for a period, or discharging heat into the space in winter). Because we are still exploring how to address these loads, we would not want to discount their ability to provide these services. All “consumption” based DR is not simply wasting energy – but rather can allow flexibility in when customers consume energy – providing less stress on the grid – provided they are given the proper signals and incentive to do so.

Lastly, while this was not in the original issue paper list, there are some outstanding registration issues that should be addressed in order to “prioritize issues related to the integration...of DERs in the CAISO market.” As larger volumes of diverse technologies are integrated into the market, we will see more and more overlap of customer registrations submitted by DRPs/SCs. At the moment, there is no way to resolve this overlap and no easy way for customers to move from one provider to another. In fact, providers may register their customers until the last available date in the CAISO system, without knowing whether a customer will remain with their service for 10+ years. In some markets, providers register their customers on a yearly or seasonal basis, in way that matches their bid and the provider of record is the one that submits their customer first. While we are not suggesting that process be copied at CAISO, certainly a mediation process to ensure customers are in fact in the aggregation of their choosing is in order.

2. Please provide comments on whether your organization supports or opposes the Multiple-Use Applications proposal item, as well as the reasons why.

No comments at this time

3. Please provide comments on whether your organization supports or opposes the Non-Generator Resource proposal item, as well as the reasons why.

No comments at this time

4. Please provide additional comments, if any, from the discussion.

No comments at this time