

Olivine Comments on CAISO Energy Storage and Aggregated Distributed Energy Resource Participation Stakeholder Initiative Proposed Scope and Schedule

Olivine appreciates the opportunity to comment on the CAISO Energy Storage and Aggregated Distributed Energy Resource Participation Stakeholder Initiative Proposed Scope and Schedule. Olivine understands that this initiative addresses issues that cross regulatory jurisdictional boundaries, supports implementation of a number of state-wide policy initiatives and is an important step for broadening the traditional resource mix used to operate the grid and mitigate issues arising from renewable integration.

Generally Olivine agrees with the staging of the issues between 2015 and 2016 recognizing that the full scope is ambitious and is only the beginning of on-going processes. We do seek clarification on item 7 designated for 2016 “Consider open policy issues from CPUC demand response working groups” that it does not mean for items that are resolved in early 2015 from the CPUC DR working groups will be set aside until 2016. To the extent policy issues are resolved in the CPUC process, the CAISO should use the resolution of an issue rather than an arbitrary calendar date to move forward with any BPM or Tariff processes.

In the items for consideration for 2015, Olivine supports the NGR model enhancements as they are issues that, for the most part, surfaced in the NGR market simulations in 2012. While the lack of these features up to this point might not have been an impediment to NGR entry to the CAISO market, they are well timed to accommodate resources that are nearing commercial operations and subsequent market participation.

It is not clear from the current documentation or discussion in the initial stakeholder conference call what the full scope of 2015 item 4 “Specify tariff provisions needed for the following two multiple use applications” will be. In particular in sub part b, “Non-RA behind-the-end-use customer meter DER provides services to end-use customer and participates in wholesale market” will this address the potential for a combined PDR/NGR construct that would allow for services such as behind the meter regulation? Olivine is also concerned that by only identifying “Non-RA” functionality that any Tariff provisions would segment or otherwise prohibit a resource from participation as both an RA and Non-RA resource.

Olivine also appreciates that the CAISO is taking on alternate forms of measurement for PDR/RDRR as indicated in Item 3 for 2015. Our current operating experience with PDRs in the market clearly shows that the default 10 in 10 baseline is inadequate for the variety of underlying technologies and premises that can make up a PDR whether they consist of load reduction, storage batteries or EVs. It is important to note that there is not any one measurement method that fits all applications of an underlying technology and that in this process cannot result in a designation that certain measurement methods only apply to a specific technology. This issue goes hand in glove with item 4 b since many PDRs are mixed technologies that are co-optimized with other end use customer needs. We are also concerned that these measurement alternatives do not get pushed into (or held up for) an energy storage or DER stakeholder process when these are critical issues for implementation of Supply Side bifurcation and Rule 24/32.