

## Stakeholder Comments

Submitted by	Company	Date Submitted
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PG&E appreciates the opportunity to comment on CAISO's Energy Storage and Distributed Energy Resources (ESDER) Phase 1 Draft Tariff Language, published April 11, 2016. PG&E actively participated in Phase 1, and provided detailed comments on each iteration of CAISO's proposal.

PG&E continues to support the ESDER initiative generally, as it promotes regulatory and market reforms needed to integrate distributed energy resources. The principles that PG&E believes should guide such efforts are: enhancing safety and reliability, minimizing total costs, promoting efficient markets that reasonably compensate suppliers, and providing equitable treatment of all grid customers to minimize cost shifts to non-DER customers.

PG&E supports the tariff language on enhancements to the NGR model, consistent with PG&E's comments in Phase 1, stating PG&E's support for allowing market participants to set an initial state of charge (SOC) for the day-ahead market and to self-manage the SOC.

While PG&E continues to have concerns about CAISO's baseline methodology, which applies a paradigm designed for resources with infrequent use to resources that would be used on a more frequent basis in the future, the issue of alternate baseline methodologies has been scoped into Phase 2 of ESDER. PG&E plans to work with the CAISO and stakeholders on future refinements to the methodology as needed.

At this time, PG&E does not propose any specific revisions to the draft tariff language. However, given the complexity of evolving DER implementation issues that are pertinent to these tariff revisions, PG&E reserves the right to comment on future iterations of the tariff language.