Submit comment on Mar 13 meeting discussion and Track 1 Straw Proposal and Track 2 Issue Paper

Initiative: Demand and distributed energy market integration

Comments of Advanced Energy United

1. **Please provide your organization's feedback on the DDEMI meeting discussion on March 13, 2026 and "Demand and Distributed Energy Market Integration Track 1: Straw Proposal: Reflecting End-User Exports in Demand Response and Track 2: Demand Flexibility Enhancements" paper.**

   Advanced Energy United (United) is a trade association representing companies large and small across the clean energy landscape, from utility-scale generation and transmission developers to manufacturers, users, and aggregators of DERs, electric vehicles and charging, the hardware, software, and data that ties it all together, and major industrial and commercial users of clean energy services and technologies.

   United appreciates CAISO staff's work moving this Initiative forward. We offer comments on Track 1 and Track 2 below. We also wish to raise some questions or comments on the scope of the overall Initiative.

   Specifically, we note that device-level registration within DRRS is identified as de-prioritized within the Initiative, and so will not be addressed at this time. We urge CAISO staff to reconsider this de-prioritization, and suggest that the issue may need to be developed sooner rather than later, as developments within other venues may raise the importance of CAISO addressing the issue.

   The CPUC has opened a new Demand Response proceeding, R. 25-09-004, in which the broad topic of "Dual Participation" is within scope. Though the Assigned Commissioner has not been more specific about how or which Dual Participation topics would be considered, a majority of parties have raised device-level telemetry as a potential topic within the issue area, one that could allow for multiple devices at the same premise to participate in Demand Response.

   R. 25-09-004 has also scoped "standardized data systems, communication protocols, and data transfer processes … to support demand response" which

may also squarely address device-level telemetry to support multiple participation.

Also at the CPUC, the Assigned Commissioner within the High DER proceeding R. 21-06-017 recently issued a new Ruling defining Track 2 activities which include a significant focus on "Enabling DER Visibility to the CAISO and Coordination Between DSOs and CAISO." This issue area to be addressed at the CPUC may directly answer some of the concerns staff raised in the discussion paper regarding device-level registration.

United would also like to note active legislation, specifically SB 913, speaks to device-level participation in the CPUC's Resource Adequacy construct as well, and so may also spur progress on this issue in other venues during this Initiative.

Lastly, the discussion paper seeks to exclude this issue on the assumption that it would "introduce significant challenges in ensuring that the sum of individual device actions results in a net reduction at the customer site…" However, to our knowledge this contention has not been directly explored in this Initiative, nor does the discussion paper cite to another source that substantiates this concern. So this rationale appears to be jumping to conclusions.

In summary: United requests that the issue of device-level registration NOT be categorically excluded from the Initiative at this time because: it is unknown just how complex or challenging it is, other venues may take up the issue and resolve some complexity outside of the Initiative, and those other venues may create a near-term urgency to address the issue within DRRS for which CAISO should be prepared.

2. Please submit your organization's overall comments on Track 1.

United is pleased to see staff bring a well-considered Track 1 straw proposal forward at this time and we strongly support moving this proposal forward to a revised and final proposal as expeditiously as possible.

We wish to emphasize however that the proposal before us, while very welcome, remains limited in its impact and potential. We urge CAISO staff, leadership, and stakeholders to frame this proposal as a near-term, transitional and initial measure and the Initiative should continue to work toward an end-state that will allow for a wider array of export-capable customers and resources to participate.

We offer thoughts below, regarding crediting of exports beyond a single resource net load at the PDR that we believe can improve the scalability and beneficial impact of the Initiative, but we also want to make clear that speed is of the essence for this initial step, and we do not want to slow down the process.

The Straw Proposal currently proposes that a DRP resource is measured against that DRP resource's aggregate load at the sub-LAP. United suggests that there

are at least three alternative accounting approaches, for a total of four options that may be possible. These are:

1. Measure against the aggregate load of each PDR resource at the sub-LAP (current proposal)

2. Measure against the aggregate load of each DRP's multiple PDR resources at the sub-LAP. This would allow DR providers (and CAISO) to organize and track resources with different performance characteristics in separate Resource IDs while still maintaining the limitation motivating (1) above.

3. Measure against the aggregate load of all PDR resources at the sub-LAP. This would broaden the approach in (2) above, and would allow for a greater array of exporting resources to be netted out against non-exporting resources.

4. Measure against the total aggregate load at the sub-LAP. This option takes the concept to its logical conclusion. It maintains the objective of representing a net load reduction at the sub-LAP level and ensuring that deliverability to the broader grid is not a concern. It appears exceedingly unlikely that PDR export capacity would ever result in net negative load at the sub-LAP level. However, accounting for this possibility in resource adequacy processes could happen separately, for example limiting PDR capacity to minimum forecast sub-LAP level load during relevant hours.

We recognize that each of the suggested alternative models 2–4 above may raise additional complexity, but they also have the potential to increase the available capacity, benefits, and cost-effectiveness of the overall proposal—all while ensuring sub-LAP level exports are not counted, avoiding significant complications with deliverability. We urge staff to consider these options, particularly model 4, and invite stakeholder comment on the pros and cons of these approaches in a subsequent issue paper.

3. Should the change in the straw proposal apply to all PEMs or be limited to MGO? Why or why not?

Yes, the change should be inclusive of all PEMs, not just MGO. We recommend this for several reasons. First, as the straw proposal notes, the majority of DRP resources utilize other PEMs than MGO, and so an expanded universe will increase the capacity unlocked by the Initiative. Even within the universe of batteries, a substantial portion do not qualify or utilize the MGO PEM. Secondly, DRPs' resources consist of a variety of other resource types utilizing different PEMs, and so consistency in accounting at the sub-LAP will be necessary.

The proposed modification to PDR baselines would be beneficial to other resource types in which MGO does not easily apply. For example, the current

rules make it difficult to measure load impacts for customers with behind-the-meter solar PV in addition to a traditional DR device like a smart thermostat. Control groups and day- or weather-matching baselines are still appropriate to these customers. Accordingly, the proposed modification to PDR should apply to all PEMs, not just MGO.

4. **Are there considerations not mentioned in the paper for how individual end-use customers within a PDR should be treated (e.g., specifying which individual exporting customers should be zeroed out, or applying a pro-rata approach across all customers)?**

   According to the Straw Proposal, implementation of the proposed sub-LAP accounting change is primarily implemented by the SC/DRP. As such, the issue of how to allocate any cap on sub-LAP load reduction to individual customers would be a matter for the DRP to decide and implement with their customers, and does not involve CAISO. United's member companies are confident that this matter can be addressed between the DRP and their customers, and the CAISO need not include any rules or methodologies within PDR rules.

5. **Provide your organization's feedback regarding the proposal for exporting customers to have an approved interconnection for export onto the distribution system.**

   United supports this basic requirement and agrees with CAISO that it is feasible to implement within the existing DRRS review process.

6. **Please submit your organization's overall comments on Track 2.**

   United strongly supports CAISO staff beginning the exploration of issues relevant to DER participation in WEIM and EDAM by non-CAISO-BA entities. United is active in current deliberations among WEIM and EDAM entities outside California that are considering how aggregated DERs will participate in CAISO markets.

   For instance in Nevada, United submitted expert witness testimony supporting NV Energy's entry into EDAM, and calling on the Nevada Commission to open an investigatory docket to identify the issues to be resolved to allow for aggregated DER participation in EDAM and begin necessary programmatic and regulatory changes. United has pushed in that context for participation pathways for both utility-run programs and third-party direct participation in CAISO markets.

   While CAISO staff have initially identified two issues on which they seek primarily WEIM/EDAM entity feedback, United believes these issues also have relevance to DRP business models, resource capabilities, and future evolution and so offer initial thoughts below and we urge staff to continue a robust dialogue not only

with WEIM/EDAM entities but with all stakeholders to ensure the principles of open access and market participant views are upheld.

7. **What locational construct, such as sub-LAP, CLAP, or BAA-level aggregation, facilitate reliable demand response market participation in WEIM/EDAM BAAs?**

   United suggests that the appropriate Load Aggregation Point for different EDAM participant territories is likely to evolve, perhaps rapidly, in coming years as the footprints of WEIM and EDAM evolve and as individual entities' systems and DER resources evolve. CAISO and EDAM entities should therefore choose the framework that most easily accommodates this evolution.

   For instance, NV Energy's two service territories are growing rapidly, with different, and differently evolving, resource mixes, at the same time as the bulk generation and transmission systems (and their flows and constraints) are also changing. DER adoption, both residential and commercial, will develop rapidly in coming years. While a single BAA-coterminous LAP may have been functional for WEIM, it may not remain so for long. A framework that allows for easier evolution would be a better fit for this dynamic landscape.

8. **Is DRRS suitable for demand response resources outside the CAISO BAA, or should other BAA-managed registration systems be explored? Why or why not?**

   United member companies are as aware as anyone of the frustrations and limitations of the DRRS, and have no wish to propagate unnecessary or duplicative requirements on WEIM/EDAM entities. At the same time, we see a registration system that relies solely on the WEIM/EDAM entities in-house registration systems as potentially exclusionary to third-party providers. As such, this would not be a sustainable or scalable framework (or perhaps even supportable under FERC Order 2222) and we would strongly oppose relying on BAA-managed systems without a viable, CAISO-approved pathway for third parties.

   On the other hand, we believe the discussion paper's treatment of resource registration in market systems in MISO, PJM, ISO-NE, and NYISO may be overly dismissive of a simpler approach that may be a "third way" forward for registration within WEIM/EDAM entities. Specifically, United suggests that CAISO staff explore whether and how a centralized system may be instituted at CAISO that relies on a lighter touch than DRRS but guards against some of the weaknesses of the eastern RTO approaches. For instance, self-attestation with a duplicate detection functionality that triggers UDC, LSE, and/or DRP review only as necessary and appropriate.

9. Does your organization support the ISO pursuing modifications to the existing RDRR construct to capture WEIM/EDAM BAA considerations? What modifications would you recommend and why? Alternatively, should the ISO consider developing a new reliability-triggered demand response product applicable to all BAAs?

10. Do the proposed large load participation pathways adequately reflect the capabilities and preferences of large load? If not, what changes would you recommend and why? Is there other industry guidance or participation frameworks the ISO should be aware of?

United appreciates the discussion of large load participation pathways in the discussion paper. However, we suggest that the discussion and decision tree framework does not in fact represent the capabilities of large load customers, especially those with dispatchable co-located export-capable generation and storage. The scale, dispatchability, and telemetry of these resources behaves much more like supply than demand-side resource while still incorporating substantial load reduction from the customer site. United suggests that CAISO consider, and put to stakeholders, whether and what new market pathway for large loads with co-located resources may be appropriate.

11. Should the exception criteria for the 100 MW RDRR discrete dispatch limit be modified to better accommodate large aggregated demand response portfolios? Why or why not?

12. Please provide any additional comments, feedback, or examples. You may upload examples or data using the Attachments field below.