



COMMENTS OF ADVANCED MICROGRID SOLUTIONS

Energy Storage and Distributed Energy Resources Stakeholder Initiative Draft Final Proposal

Submitted by	Company	Date Submitted
Manal Yamout 415-638-6146 manaly@advmicrogrid.com	Advanced Microgrid Solutions	November 20, 2015

Advanced Microgrid Solutions (AMS) offers these comments on the California Independent System Operator (CAISO) Energy Storage and Distributed Energy Resources (ESDER) Initiative’s Draft Final Proposal (“Proposal”). Throughout the course of the development of the Proposal, the CAISO staff has demonstrated a strong willingness to work with all stakeholders on viable solutions, specifically as they relate to performance measures for the proxy demand resource (“PDR”) product. AMS greatly appreciates the CAISO’s commitment to advancing the markets while keeping the field level for all participants.

Given the novelty of the role of storage resources for grid-level operations and the inherent complexity in determining a baseline methodology that is both accurate and consistent with established market principles, AMS respectfully requests that the CAISO not move forward with the alternative baseline methodology documented in the Proposal. Instead we ask the CAISO to continue these discussions as part of Phase II of the ESDER Stakeholder Initiative. This deferral will allow sufficient time for all interested stakeholders to understand the nuances of grid-level storage and help identify viable options that satisfy all parties.

It is the view of AMS that the current CAISO proposal goes as far as it can, in part with the constraints of the current PDR construct and the timing of ESDER Phase I, but not far enough. When we look holistically at the solution, we are concerned about setting a precedent that inadequately values the services that storage resources can provide.



Chief among our concerns are:

- Rules around the “lookback window” in cases where dispatch happens frequently during that period.
- Using a baseline (historical usage patterns) to estimate storage performance rather than measuring performance directly – this cannot be done for traditional (load-based) PDRs but can be for sub-metered resources.
- Limiting compensation for multiple services even if those services do not conflict with one another.
- Understanding the ultimate jurisdictional role of the FERC relative to distribution assets in wholesale markets given that the Supreme Court only recently heard arguments around FERC Order 745.

We strongly believe that a more comprehensive solution can be established with more time for discussion around these topics. Moving ahead with the current proposal could very well have unintended consequences and ultimately do more harm than good.

Topic Area	Overall Level of Support (Fully support; Support with qualification; or, Oppose)	Comments (Explain position)
Proposed enhancements to the non-generator resources (“NGR”) market participation model	Support	We look forward to continuing to work with the CAISO to enhance the NGR model in Phase II of ESDER.
Proposed enhancements to demand response performance measures and statistical sampling for the proxy demand resource (“PDR”) and reliability demand response resource (“RDRR”) market participation models	Oppose, Alternative Baseline Methodology. Support other enhancements (including PDR export)	See above.
Proposed clarifications to rules for non-resource adequacy multiple-use applications (provision of retail, distribution and wholesale services by the same resource)	Support	We look forward to continuing to work with the CAISO on these issues. Specifically we urge the CAISO to consider less-than 24-hour a day for NGRs.