



## **Comments of Cogeneration Association of California Regarding Excess Behind the Meter Production**

The Cogeneration Association of California (CAC)<sup>1</sup> provides these comments on the initial concepts discussed at the July 10 workshop on the issues with “excess behind the meter production” (“the Excess BTM initiative”).

### **Introduction**

CAC’s members operate cogeneration facilities at industrial facilities. These facilities produce both thermal energy for industrial processes and electrical generation. Some of the electricity generated is used behind the meter at the industrial facility, and the excess is sold to an interconnected utility. Since the formation of the CAISO, CAC and the CAISO have collaborated, and sometimes litigated, to resolve the issues of how these cogenerators and their electric production are accounted for in the ISO system.<sup>2</sup> Consequently, these issues have been resolved for a significant period through definitions of Gross Load and the protocols for scheduling and metering the generation that is delivered to the CAISO grid. CAC members’ generating facilities are examples of the “participating resources already accounted for” in the CAISO system<sup>3</sup> that the Excess BTM initiative indicates it does not want to affect. However, the discussion at the July 10 workshop raises concerns that in dealing with an issue peculiar to residential rooftop solar, the ISO may create conflicts with the long-established protocols for industrial behind the meter generation.

### **Proposals to Avoid Conflicts**

First, the definition of “excess behind the meter production” should be more precise and circumscribed. At the workshop, the ISO proposed a definition of Excess BTM as “when behind the meter generation exceeds a consumer’s host load.” All industrial cogeneration that sells generation to its utility fits within that definition even though it is delivering the energy per the terms of a contract and the energy is scheduled with the CAISO. CAC suggests limiting the definition to “generation that exceeds a consumer’s host load *and that is not scheduled in one of the ISO’s markets.*” As this issue seems to be largely caused by non-utility solar generation, it

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<sup>1</sup> CAC represents the existing, efficient combined heat and power and cogeneration and related Utility Prescheduled Facility (UPF) operation interests of Midway Sunset Cogeneration Company and Watson Cogeneration Company.

<sup>2</sup> *Opinion and Order on Initial Decision*, Opinion 463, ER01-313, 103 FERC 61,114 (2003) [Issues related to Gross Load for GMC]; *Opinion and Order Affirming Initial Decision*, Opinion 464, 104 FERC P 61,196, ER98-997 (August 12, 2003) [QF PGA].

<sup>3</sup> Issue Paper – Excess Behind the Meter Production at p. 6 (June 28, 2018).

may also be useful to limit the definition to generation that is delivered to a utility only pursuant to a net metering tariff.

The second potential conflict is in the definition of Gross Load. The ISO proposes to “clarify the tariff definition of Gross Load to state that excess BTM production should not be netted from Gross Load.” This would create a clear conflict with the treatment of industrial customers with behind the meter generation. Currently, they are metered at the point of interconnection and all generation serving behind the meter load is netted against that load before deliveries across the point of interconnection are metered. The energy delivered across the point of interconnection is the energy necessary to satisfy the net load remaining after delivery of energy behind the meter from the customer’s own generation. This issue should be resolved consistent with the policies supporting net energy metering, perhaps requiring coordination with the CPUC. Any differences in how load serving entities schedule this net energy should be resolved by enforcing scheduling protocols and clarifying reporting practices, not by changing the definition of Gross Load.

## Conclusion

Thank you for the opportunity to provide initial comments on this matter, and we trust CAISO staff will embrace these concerns related to existing, efficient CHP operations with respect to “excess behind the meter generation.”

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Respectfully submitted,

BUCHALTER, A Professional Corporation

A handwritten signature in black ink, appearing to read "Michael Alcantar", with a stylized flourish extending to the right.

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