

# Storage as a Transmission Asset

## Stakeholder Comment Template

| Submitted by  | Company  | Date Submitted |
|---|--|----------------|
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Please use this template to provide your comments on the Storage as a Transmission Asset stakeholder initiative Straw Proposal that was published on May 18, 2018.



Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due June 7, 2018 by 5:00pm**

The straw proposal, posted on May 18, 2018, as well as the presentation discussed during the May 24, 2018 stakeholder web conference, may be found on the [Storage as a Transmission Asset](#) webpage.

Please provide your comments on the Straw Proposal topics listed below, as well as any additional comments you wish to provide using this template.

**Scope of policy examination**

The ISO has modified its initial identified scope for this stakeholder process. The scope of this initiative will focus on: If storage is selected for cost-of-service-based transmission service, how could that resource also provide market services to reduce costs to end-use consumers? Please provide comments on this proposed scope (including those issues identified as out-of-scope). If there is a specific item not already identified by the ISO that you believe should be considered, please provide the specific rationale for why the ISO should consider it as part of this initiative.

**Comments:**

The process by which the cost of providing transmission services is recovered needs to be addressed in the TPP process on a project-by-project basis.

**Background and the ISO's Transmission Planning Process ("TPP")**

The ISO has provided a discussion on how certain stakeholder comments could be addressed within the current Transmission Planning Process (TPP) framework – on a case-by-case basis. Please provide any additional questions or clarifications regarding how the ISO's TPP might incorporate the market participation by SATA resources.

**Comments:**

CDWR does not have any comments at this time.

**Contractual Arrangement**

The ISO proposes to develop a new agreement with SATA resource owners that captures elements from Participating Generator Agreement (PGA), Participating Load Agreement (PLA), Reliability-Must-Run (RMR) agreement and Transmission Control Agreement (TCA). Additionally, the ISO has indicated its preference to control SATAs when they operate as transmission assets. Please provide comments on this proposal.

**Comments:**

CDWR does not have any comments at this time.

**Market Participation**

The ISO provided additional details regarding how and when SATA resources would be permitted to provide market services and access market revenues. Please provide comments on this proposal.

**Comments:**

CDWR does not have any comments at this time.

**Cost Recovery Mechanism**

The ISO has proposed two alternative cost recovery mechanisms in the straw proposal:

1. Full cost-of-service based cost recovery with energy market crediting
2. Partial cost-of-service based cost recovery with no energy market crediting

Please provide comments on these two options and any other options the ISO has not identified. Please include how the ISO might incentivize or compel SATAs to participate in the markets competitively and efficiently where they would receive full cost-based recovery.

**Comments:**

1. The CAISO may need to consider the following question: If a project under model 2 experienced financial trouble, and CAISO determined that this asset is still needed for grid reliability, what would be the process to resolve it?
2. Under model 2, the cost of design and construction of the project as well as the recurring costs of operation and maintenance of the project need to be allocated proportionally to transmission services and market services.

**Allocation to High- or Low-Voltage TAC**

The ISO proposes to maintain the current practice of allocating costs to high- or low- voltage TAC, based on the point of interconnection, and consistent with other transmission asset classifications to regional (high voltage) or local (low voltage) TAC. Please provide comments on this proposal.

**Comments:**

CDWR supports continuing this practice.

**Consistent with FERC Policy Statement**

The ISO believes the straw proposal is consistent with the FERC Policy Statement. Specifically, that the straw proposal does not inappropriately suppress market prices, impact ISO independence, nor result in double recovery of costs. Please provide comments on the whether you agree or disagree with the ISO. If you disagree, please clarify why and how the ISO might address this issue.

**Comments:**

CDWR does not have any comments at this time.

**Use Cases**

Stakeholders raised numerous scenarios involving a storage device being used as a transmission asset, and with having additional storage or other generation capacity at the same site. The ISO provided

feedback on how some, but not all, of these concerns expressed at the stakeholder session could be addressed. The ISO seeks stakeholder feedback on issues or concerns that would need to be addressed, as well as possible mechanisms to address such concerns.

**Comments:**

CDWR does not have any comments at this time.

**EIM classification**

The ISO believes this initiative falls outside the scope of the Energy Imbalance Market (EIM) Governing Body's advisory role. The ISO seeks stakeholder feedback on this proposed decisional classification for the initiative.

**Comments:**

CDWR does not have any comments at this time.

**Other**

Please provide any comments not addressed above, including any comments on process or scope of the Storage as a Transmission Asset initiative, here.

**Comments:**

The asset owner's assumptions for the cost of construction, operation, and maintenance need to be examined and assessed by the CAISO Transmission Planners in selecting the best transmission project alternative.