Stakeholder Comments Template

Submitted by	Company	Date Submitted
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California ISO

Please use this template to provide your written comments on the ESDER Phase 3 stakeholder initiative workshop held on January 16, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due January 26, 2018 by 5:00pm

The CAISO held a stakeholder workshop to find consensus on the issues and identify additional topics for ESDER 3. The presentation and all supporting documents can be found on the ESDER 3 webpage.

Important: The CAISO requests stakeholders comment on the current list of priorities presented at the January 16, 2018 workshop. Based on the list below, high priority items (green) are considered in scope, low priority items (yellow) will be evaluated based on stakeholder comments and CAISO resource sufficiency, and no consideration items (red) will not be included in the ESDER 3 scope. Note that some items have been rewritten for clarification.

List of potential scope (DR, MUA, and NGR combined)

Demand response modeling limitations – Resolving the issue of RUC that leads to infeasible 5-minute dispatches and minimum/maximum run time constraint recognition.

◆ **Variable demand response (weather sensitive) –** Exploring bidding options that reflect the variability of DR.

◆ **Removing the single LSE requirement/ DLA discussion –** Remove the requirement of a single LSE for DR with a subsequent discussion on if the DLA will need to be modified.

◆ **Load shift product -** Development of load shift capability with a consideration of additional technologies than just behind the meter storage.

◆ **Comprehensive review of MUA impacts –** Review of potential tariff changes in accordance with CPUC's ruling/ working groups (including 24x7 participation requirement impact analysis).

◇ **Recognition of a behind the meter resource in load curtailment –** Extending the meter generator output (MGO) model to EVSEs.

◇ **Use-limitation status for NGRs –** Exploring the option to allow NGRs to qualify as a use-limited resource.

- What constitutes use-limited status for NGR resources (i.e. batteries)?

◇ **Bidding Costs –** What bidding costs need to be captured for NGRs? (i.e. cost based offers)

◇ **Establishing throughput limitations –** Creating bidding options to manage excessive cycling of NGRs.

◇ **Management of State of Charge (SOC) –** Considering options for the management of SOC such as a multi-stacked ancillary service bid.

◆ **Recognition of a behind the meter resource in load curtailment –** Extending the meter generator output (MGO) model to sub-meter and develop individual baselines to all other individual load types.

◆ **PDR/RDRR hybrid resource –** Exploring how a DR resource that can be economic (PDR) for a limited amount and can transfer to become an RDRR.

◆ **Continued discussion on use-cases for MUA –** Determining participation models for new technologies such as micro-grids through use-case scenarios.

Comments:

CLECA believes the highest priority tasks to be those associated with resolving constraints to full participation of existing demand response programs in the CAISO's markets. Despite a CPUC directive to integrate supply side DR into the CAISO markets by 1/1/18, there remain some challenges and these should be addressed expeditiously so that these resources can receive full resource adequacy value. These important tasks are 1) demand response modeling limitations, 2) removing the single LSE requirement, 3) determining if there is sufficient revenue associated with the default load adjustment (DLA) to justify its retention, and, if not, its elimination, and, 4)

developing a load shift product. These top CLECA priorities are reflected as high priorities above, which we appreciate and support. We hope that the magnitude of the DLA issue can be quickly resolved. If it is small, elimination of the adjustment would greatly facilitate the removal of the single LSE requirement, and avoid stranding DR MW due to changes in LSE for the same customers who are DR participants. The load shift product will require action by both the CAISO and the CPUC, in its recently established load shift working group. Given the net load shape challenges, it should be a priority for both. CLECA shares the concern of some stakeholders that it would be better not to focus on storage only because other types of resources can provide a load shift product.

Another high priority issue is the RA treatment of variable, weather-sensitive DR. This too requires action by the CPUC to address the NQC of such DR in its RA proceeding, R. 17-09-020. From the recently-issued scoping memo in that proceeding, it appears that the CPUC is not planning to address this issue prior to a decision for the 2020 RA compliance year. This is unfortunate. We urge the CAISO to work with the CPUC to minimize delay in addressing this issue, since there is considerable weather-sensitive DR in the residential and commercial sectors.

CLECA believes that the following tasks are of lower priority: 1) recognition of behind the meter EVSE load curtailment, 2) 24x7 CAISO participation requirements for DERs, 3) reflecting costs and NGR use limitations, and 4) managing state of charge and throughput limitations. The reason for the last two is that the utilities have apparently managed to resolve these issues through operational practices, and it would be ideal if they would share their best practices experience with other entities involved with storage. In the case of 24x7 CAISO participation requirements for DERs, it appears that the storage industry prefers the PDR model which does not require 24x7 participation, so a focus on 24x7 participation requirements may not be as relevant. As for EVSE load curtailment, this raises the issue of submetering, which should be addressed in a broader context, along with cost-effective telemetry, which continues to be an outstanding issue.

Wholesale market participation for micro-grids involves retail/wholesale issues that will have to be addressed in the load shift product. The load shift product should come first.

Other comments
Please provide any additional comments not associated with the topics above.

Comments:

[Insert comments here]