



CESA Comments on ESDER 2 Draft Final Proposal

Submitted by	Company	Date Submitted
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CESA provides these comments on the CAISO’s Energy Storage and Distributed Energy Resources Phase 2 (ESDER 2) Draft Final Proposal (“DFP”).¹

CESA supports the station power approaches in the DFP and looks forward to Board approval of this important update to the CAISO Tariff. The DFP codifies auxiliary load and station power rules by reference, which is both an accurate yet flexible approach that recognizes the different jurisdictions that govern retail rate designs. The CAISO should nevertheless ensure its tariff appropriately reflects CAISO (and FERC) directed rules regarding wholesale charging energy and efficiency losses.

CESA also looks forward to working on Phase 3 issues, many of which are important and needed to allow access to CAISO market. In addition to updates to NGR and load-consumption enhancements, the scope should also include a review of the participation rules and structures for aggregations, such as the DERP and enhancements to the PDR product that enable the export from behind-the-meter storage where appropriate. This participation model, while exciting, has no real users and barriers in the tools, including for V1G aggregations should be reviewed and in-scope for ESDER 3.

¹ CESA is a 501(c)(6) non-profit. Individual member companies of CESA may have different views than those expressed by CESA. Learn more or join CESA today: www.storagealliance.org

CESA also supports the inclusion and further discussion of when and where RAAIM penalties should or should not apply to NGRs vis a vis use-limited outages. CESA appreciates the comments of DMM and agrees that rules should not work against the intent of the RAAIM. That said, RAAIM rules should also look to provide equivalent treatment across resource categories and provide equal access to use-limited status where appropriate. This issue should definitely be further discussed in ESDER 3. CESA explicitly requests further discussion on this to support a robust consideration of not only this issue but also of, building on CCE3, where and how 1) commitment costs exist and need price expression and or cost recovery, 2) opportunity costs exist and need price expression and or cost recovery and of 3) related tools that are needed to support participation in the NGR tool to yield feasible dispatches and to manage limitations and state of charge across intervals.

Finally, CESA supports rapid-action on further Load Consumption Working Group (LCWG) ideas and having CAISO play a leadership role in facilitating the LCWG. CESA reiterates that the CAISO has prioritized ESDER 3 based on workload planning and stakeholder input, e.g. the Market Design Catalog process, and so now should ensure ESDER promotes non-discriminatory access to markets. This goal should temper concerns that retail rate design matters, e.g. the role of demand charges, which are clearly beyond CAISO jurisdiction, need to be addressed for CAISO to tackle Load Consumption matters. Instead, CAISO should focus on how to ensure resources like PDRs can show up in CAISO markets to compete to provide services. To CESA, this means the CAISO should focus on jurisdictional matters like the net-benefits test (NBT) and on how to make default Load Adjustments to avoid duplicative load procurement. The CAISO should also focus on performance measurement arrangements for regulation provision from PDR or aggregated resources, along with consideration of settlement adjustments that may be involved in Load consumption and PDR regulation.

CESA is happy to work with and help lead the efforts here and believes this work is critical. We do not ask CAISO staff to do this work on their own but also understand that the allocation of CAISO resources to ESDER 3, per the plan for which initiatives are addressed in 2018 and the Stakeholder Catalog, imply that the CAISO sees a need to dedicate resources to this initiative. While stakeholders will certainly need to roll up their sleeves, CAISO also has a critical role to play in convening meetings, and facilitating discussions to ensure forward progress is being made. CESA also encourages more support and leadership from the utilities involved in the Baseline Analysis Working Group (BAWG), who showed helpful and focused leadership in developing effective solutions. A similar exploratory and supportive bent on LCWG from these utilities will be helpful and will benefit this effort greatly.

About CESA: CESA represents 60+ companies engaged in the energy storage industry, including large developers, small developers, manufacturers, software and support providers, etc. www.storagealliance.org.