



## Comments of Pacific Gas & Electric Company

### Excess BTM Production – Issue Paper

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) respectfully offers the following comments on the California Independent System Operator’s (CAISO) Excess BTM Production Issue Paper.

1. PG&E requests CAISO to clearly differentiate the treatment of Load and Load meter values as they relate to (a) TAC charges, (b) Market Participant Load settlements, and (c) the Allocation of Settlement Uplift and Neutrality charges to Metered Load and/or Measured Demand.

PG&E supports this initiative’s objective to resolve inconsistencies in how excess BTM production is reported to the CAISO and to establish standardized reporting practices to ensure Gross Load is reported consistently. However, it is important for CAISO to clarify usage of the term “Load” as it has different impacts relating to (a) TAC charges, (b) to Market Participant Load settlements, and (c) to the Allocation of Settlement Uplift and Neutrality charges to Metered Load and/or Measured Demand.

2. PG&E believes that clarifying the definition of “Gross Load” (as an objective of this initiative) should be limited to the application of the transmission access charge (TAC).

For “Load” as it relates to determining TAC charges, PG&E agrees with the proposed clarification outlined in Section 5.1 of the Issue Paper. Based on this position, PG&E agrees with the CAISO that Excess BTM production shall not be netted from both the “TAC Gross Load” data submittal and the gross load forecast presented in FERC TO filings because customers with excess BTM production use the transmission system. It is also important to clarify that non-netted gross loads used to calculate transmission rates in TO filings may not align with the collection of retail transmission revenues that are based on netted gross loads.

However, Load for the purposes of other applications—such as metered Load quantities used for LSE energy settlements—should continue to represent the effective (i.e. net) position of the resource, and should include appropriate, locational credit for any negative load when it is calculated.

3. For Load as it relates to settlements, PG&E supports the treatment of excess BTM production as demand, tracked and settled hourly against LSE bundled load.

In section 6.3 of the Issue Paper, CAISO outlines two potential market mechanisms to account for excess BTM production. PG&E agrees with the CAISO that accounting excess BTM production on the demand side is more appropriate, but PG&E recommends that the term “Negative Load” be clearly defined, as it may be used differently in distinct contexts. In particular, the term can be confusing in

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the context of settlements and in Demand Response discussions. PG&E would expect that exports from excess BTM generation would necessarily be treated differently in different contexts, so use of the same term can be confusing. PG&E also requests the CAISO provide further details as to how “negative load” would be identified and included in the final, resource-specific load settlement.

### 4. PG&E supports the decision to place the short-term load forecasting process as out of scope.

This initiative should have limited impact on processes for LSE short term load bundled forecasts, which are settled at the DLAP.

### 5. PG&E believes that the energy settlement and scheduling implications raised in this paper is not well understood yet and deserve further discussion and clarification. PG&E offers the following comments for issues impacting LSE energy settlements as well as the allocation of uplift and neutrality costs.

PG&E recommends that Metered Load quantities used for LSE energy settlements should represent the effective (i.e. net) position of the resource, and should include appropriate, locational credit for any “Negative Load” when it is calculated. Thus, we believe that any settlement accounting for “Negative Load” should be done at the specific resource level, as part of that resource’s Real-Time Uninstructed Imbalance Energy (UIE) settlement amount. PG&E recognizes that identifying and maintaining both the Gross and Net load positions for any specific resource will require distinct settlement changes (i.e. creating new bill determinant attributes, introducing new calculation logic, etc.), but feels that it is necessary to support the CAISO’s existing cost causation and transparency principles.

PG&E supports the CAISO in allocation uplift and neutrality costs based on the existing cost causation principles. As part of these principles, the CAISO regularly allocates such costs to market participants based on their Metered Load or Measured Demand (i.e. Load + Exports) positions. As the CAISO outlines in Table 4 of the Excess BTM Production Issue Paper, it is possible for a Load resource to have a negative load position for a given interval, should any BTM energy production be more than the resource’s Gross Load. PG&E believes that such a situation must be accounted for during the uplift process, and requests that the CAISO provide clarity on how these instances would be addressed.

### 6. Other clarification requests

PG&E requests the CAISO clarify and elaborate on whether the correct term and stakeholder affected by this initiative should be the Load Serving Entities (LSE) as opposed to the Utility Distribution Companies (UDC). The Issue Paper refers to the UDCs, but to PG&E’s understanding, this initiative is focused on all stakeholders that submit load settlement data to the CAISO—which would also include Community Choice Aggregators. Thus, to PG&E’s understanding, LSE is a more fitting term.

In Table 3, it is important to remember that of the four quantities—A, B, C and D—the first two are unknown. Any calculations must be based on the metered quantities, C (usage) and D (exports).