California ISO

Stakeholder Comments Template

Energy Storage and Distributed Energy Resources (ESDER) Phase 4

This template has been created for submission of stakeholder comments on the Issue Paper Working Group Meeting for ESDER Phase 4 that was held on March 18, 2019. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the initiative webpage.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business **April 1, 2019.**

Submitted by	Organization	Date Submitted
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Please provide your organization's general comments on the following issues and answers to specific requests.

1. **Non-Generator Resource (NGR) model**
    a. SOC management
    b. Multi-interval optimization

Boston Energy remains supportive of the ISO expanding options for scheduling coordinators to manage a NGR's state of charge in real-time. As per prior comments we request these design enhancements be an optional feature for scheduling coordinators.

If the ISO decides to move forward with the SOC management portion of the proposal we encourage the ISO to consider an hourly desired state of charge parameter. If such a parameter introduces optimization complexity/process issues then an end of day SOC parameter would be a good alternative.

Lastly, Boston Energy doesn't support CAISO making changes to the multi-interval optimization for BCR purposes. Changes to the multi-interval BCR calculation would need to apply to all resources, not just NGR's. Boston Energy feels CAISO should focus its efforts elsewhere to improve NGR market participation.

2. **Bidding requirements for energy storage resources**

Boston Energy is supportive of the ISO's discussion of a methodology for the development of default energy bids for NGR resource, but feel at this time it's a solution looking for a problem. The ISO has provided no evidence that the exercise of market power by NGR resource is occurring today. Without such evidence developing a default energy bid methodology seems premature. The ISO's proposal also solely focuses on NGR resources rather than looking at the larger participation pool which should include PDR resources both in front of and behind the meter.

Further, the ISO's presentation presents a simplistic view of NGR energy bid development and fails to consider the costs cycling and throughput. These costs are critically important to ensure that if a NGR resource is mitigated it recovers its full costs of operations. Unlike traditional resources these costs can vary based on the ISO market awards. For NGR's participating in the ISO's ancillary service market, the ability to properly reflect throughput and cycle costs in market bids is critically important. While providing ancillary services, regulation in particular, a NGR has no control over the amount of throughput the ISO may call upon or the amount of equivalent cycles a NGR may experience while providing ancillary services. Given how the ISO distributes its AGC signal this is particular challenging to NGR's given the speed at which they respond. Any proposal for default energy bid creation must account for throughput and cycling costs.

Lastly, Boston Energy feels the ISO should focus its effort on the SATA initiative to ensure that resources eligible for utility rate recovery are not artificially suppressing market pricing. This is a critical issue for the long term success of the CAISO market and should be resolved before imposing bid mitigation rules on resources whose financial viability depends upon a competitive market structure.

3. **Demand Response resources**

   a. DR operational characteristics – Please provide comments on the ISO's proposal for DR resources to reflect a non-zero Pmin.

   b. Weather sensitive – Seeking feedback on potential forecasting methodologies and approaches for validating SC-submitted forecasts.

Boston energy provides no comments at this time

4. **Discussion on BTM Resources**

   a. Potentially removing 24x7 settlement requirement for non-resource adequacy resources utilizing the DERA/NGR participation model.

   b. Providing a forum for industry stakeholders to discuss potential QC methodologies for multi-tech type DERs for LRA consideration.

Boston Energy supports the ISO moving forward to address item 4a above and asks that this specific issue be given a high priority in ESDER Phase 4. Rules that would allow BTM resources, not scheduled in the ISO market, to be exempt from the 24x7 scheduling and settlement requirements currently imposed on BETM resources are

very critical for BTM resource expansion under the Multi-Use Application rules developed by the CPUC. Allowing BTM resources to take themselves out of the ISO market when not scheduled would allow BTM resource to provide services to non-ISO domains customers more seamlessly and avoid taking on unnecessary CAISO market pricing risk.

Additional comments

Please offer any other feedback your organization would like to provide from the topics discussed during the working group meeting.

Boston energy provides no comments at this