



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 for ESDER Phase 4 that was published on Feb 6, 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 **Feb 27, 2019**.

Submitted by	Organization	Date Submitted
<i>Paul Nelson 213-444-9349</i>	<i>California Large Energy Consumers Association</i>	<i>February 27, 2019</i>

Please provide your organization's comments on the following issues and questions.

1. Non-Generator Resource (NGR) model

Please state your organization's position as described in the Issue Paper: **(Support / Support with Caveats / Oppose)**

If you support with caveat or oppose, please further explain your position and include examples:

CLECA has no general comments at this time.

2. Bidding requirements for energy storage resources

Please state your organization's position as described in the Issue Paper: **(Support / Support with Caveats / Oppose)**

If you supports with caveats or oppose, please further explain your position and include examples:

CLECA has no general comments at this time.

3. Demand Response resources

Please state your organization's position as described in the Issue Paper: (Support / Support with Caveats / Oppose)

If you support with caveats or oppose, please further explain your position and include examples:

CLECA supports addressing the Pmin problem for demand response (DR) resources whereby the optimization can oscillate a DR market award from a Pmin of zero to its Pmax between intervals. The CAISO should also address ongoing concerns about the optimization not recognizing maximum run-time restrictions and issuing awards beyond a resource's max run time.

CLECA also supports improvements to accommodate weather-sensitive DR programs which have varied performance similar to renewable generation. An example is air-conditioning cycling programs that can provide their maximum performance during heat waves, but have reduced load impacts during cooler periods. The current Resource Adequacy Availability Incentive Mechanism (RAAIM) results in these weather sensitive DR resources bidding below their capability. Improving the ability for these resources to bid a quantity that reflects their true capabilities without penalty will be an improvement. There is no logical reason why weather sensitive DR cannot bid its expected DR potential without penalty, similar to renewable resources.

CLECA is concerned that DR-related issues are being spread across four initiatives: (1) ESDER4; (2) Resource Adequacy Enhancements; (2) Commitment Cost and Default Energy Bid Enhancements (CCDEBE); and (4) Commitment Cost Enhancements (CCE3). As a result of the distributed processes, changes in the approach to commitment costs may not adequately reflect the unique restrictions and conditions of DR programs. Furthermore, the dispersion of the issues and the different time lines in the initiatives makes it difficult for entities focused on DR to address the interplay and linkages between the various proposed operational changes.

CLECA is also concerned that the rules on bidding behavior be properly addressed for DR as the opportunity costs for DR are not the same as for generation or even storage resources. For example, the start-up bid for a DR program with a required number of calls (or hours) per month could be drastically different between the beginning and end of the month. It is not clear how the rules and the CAISO Department of Market Monitoring would evaluate these start-up bids. Given that DR is a priority in State Energy Policy, CLECA recommends that DR issues be consolidated into one initiative, or at the least, two initiatives of operational and resource accounting.

4. Multiple-Use Applications (MUA)

Please state your organization's position as described in the Issue Paper: (Support / Support with Caveats / Oppose)

If you support with caveat or oppose, please further explain your position and include examples:

CLECA has no general comments at this time..

5. Additional comments

Please offer any other feedback your organization would like to provide on the Draft Final Proposal

CLECA has no general comments at this time.