

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Dr. Barbara R. Barkovich Barkovich & Yap, Inc. Barbara@barkovichandyap.com 707 937-6203	California Large Energy Consumers Association	10/11/16

Please use this template to provide your comments on the ESDER Phase 2 stakeholder initiative Second Revised Straw Proposal posted on September 19.

Submit comments to InitiativeComments@CAISO.com

Comments are due October 11, 2016 by 5:00pm

The Second Revised Straw Proposal posted on September 19 and the presentation discussed during the September 27 stakeholder web conference may be found on the [ESDER Phase 2](#) webpage.

Please provide your comments on the Second Revised Straw Proposal topics listed below and any additional comments you wish to provide using this template.

NGR enhancements

The CAISO has been focused on two areas of potential NGR enhancement: (1) representing use limitations in the NGR model and (2) representing throughput limitations based on a resource's state of charge (SOC).

The CAISO has concluded that the second area will be re-evaluated once more resources are participating as storage resources modeled under NGR. The CAISO will no longer pursue this

area in ESDER 2 and will instead focus its efforts in the first area of potential NGR enhancement.

The CAISO is requesting stakeholders provide comments on the first area.

Specifically:

1. What are the exogenous limitations for NGRs that can't be optimized within the market?
2. What are the opportunity costs and commitment costs that need to be reflected in energy bids to manage limitations?

Comments:

No comments.

Demand response enhancements

Proposals are under development by two stakeholder-led work groups within ESDER 2 in two areas of potential demand response enhancement:

- Baseline Analysis Working Group (BAWG) – Explore additional baselines to assess the performance of PDR when application of the current approved 10-in-10 baseline methodology is sufficiently inaccurate. The BAWG proposes the following settlement options for PDRs and RDRRs:
 - Residential Resources: 4 day weather match by max temperature, control group.
 - Commercial Resources: 10 of 10 with 20% adjustment cap, Average of previous 5 days, control group.
- Load Consumption Working Group (LCWG) – Explore the ability for PDR to consume load based on an ISO dispatch, including the ability for PDR to provide regulation service. The working group has recommended bi-directional PDR modelling. The LCWG proposes to maintain the separation of wholesale and retail energy settlement for increased load consumption. This supposes that the value of increased wholesale consumption, perhaps at a negative price, has value to the DRP or customer since the increased consumption would also be charged under retail rates. Under this construct, is this a feasible concept?

The CAISO is requesting stakeholders provide comments on the proposals of both the BAWG and LCWG.

Comments:

CLECA supports the proposal of the BAWG to add additional baselines for residential and commercial customers, as specified. The merits of these proposed additional baselines has

been studied by the BAWG and they improve precision and reduce bias compared to the current 10-in-10 baseline supported by the CAISO's current software.

CLECA understands that the CAISO would like to minimize the number of additional baselines and does not intend to support them in its own software. Adding baselines would impose additional responsibility and cost on DRPs since the related settlement calculations would be the responsibility of the DRPs subject to CAISO audit, unlike the current 10-in-10 baseline with day-of adjustment which is supported by current CAISO software. Therefore, the expense of implementing any additional baselines must be compensated for by settlement results that demonstrate that the current baseline understates the performance of the resources. Market participants will have to determine whether increased precision and reduced bias are worth the increased cost of implementation.

CLECA also supports the addition of a day-matching baseline for residential customers if the effort to weather-match or to maintain a control group is overly burdensome. We assume that such a day-matching baseline would be other than the current 10-in-10 supported by the CAISO. If there is an additional baseline provided for residential customers, CLECA understands that it may provide less precision or more bias. If this is the case, it should be designed to have a bias to under-estimate residential DR resource performance rather than over-estimate such performance so that the resource is not overpaid, since the purpose of such a baseline is to avoid certain implementation costs that would otherwise be incurred.

CLECA supports an effort to explore bidirectional PDR modeling and the ability of PDR to provide regulation. CLECA supports maintaining the separation of wholesale and retail energy settlement consistent with current jurisdictional lines. However, CLECA is also supportive of a process for considering at the retail level whether rate structures can be designed that better reflect wholesale price variations. Since only LRAs can set retail rates, the examination of this possibility must occur at the LRA.

Multiple-use applications

The ISO has not yet identified specific multiple-use application (MUA) issues or topics that require treatment in ESDER 2. The CAISO proposes to continue its collaboration with the CPUC in this topic area through Track 2 of the CPUC's energy storage proceeding (CPUC Rulemaking 15-03-011). If an issue is identified that should be addressed within ESDER 2 the CAISO can amend the scope and develop a response.

The CAISO is requesting stakeholders provide comments on this topic area as well as this proposed approach.

Comments:

CLECA supports the current CAISO approach.

Distinction between charging energy and station power

In this topic area the CAISO will continue its collaboration with the CPUC through Track 2 of the CPUC’s energy storage proceeding (CPUC Rulemaking 15-03-011) rather than exclusively through ESDER 2. At this time, the CAISO proposes the following:

- Revise the CAISO tariff definition of station power to exclude explicitly charging energy (and any associated efficiency losses); and
- Revise its tariff later to be consistent with IOU tariffs on state-jurisdictional issues, as needed, in the event that they revise their station power rates. The CAISO speculates that two potential, substantial forms this could take that would require the CAISO to revise its tariff regard netting and metering for storage resources. Specifically:
 - The CAISO currently agrees that negative generation pursuant to CAISO dispatch could be treated commensurate with positive generation such that storage resources could “net” their station power consumption against this negative generation; and
 - The CAISO believes that rather than a mandated “one-size-fits-all” metering configuration, each storage resource could negotiate and agree with its local energy provider on a metering configuration (e.g., single-meter, multiple meters, predetermined deductions/additions, or combinations thereof).

The CAISO is requesting stakeholders provide comments on this topic.

Comments:

No comments at this time.

Other comments

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

Comments:

No comments at this time.