

Storage as a Transmission Asset

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Storage as a Transmission Asset stakeholder initiative Issue Paper that was published on March 30, 2018.



Submit comments to InitiativeComments@CAISO.com

Comments are due April 20, 2018 by 5:00pm

The Issue Paper posted on March 30, 2018, as well as the presentation discussed during the April 6, 2018 stakeholder web conference, may be found on the [Storage as a Transmission Asset](#) webpage.

Please provide your comments on the Issue Paper topics listed below and any additional comments you wish to provide using this template.

Scope of policy examination

The ISO's initial identified scope for this stakeholder process is to enable storage to provide cost-based transmission services and participate in the market and receive market revenues. Specifically, the ISO will focus on (1) transmission-connected storage only and (2) storage resources identified as needed to provide reliability-based transmission services. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

Comments:

First Solar supports the CAISO reviewing the ability of advanced technologies such as energy storage providing key transmission services in the future, and encourages the CAISO to think more broadly than stand-alone storage installations during this stakeholder process. Specifically, First Solar recommends the CAISO consider how utility-scale photovoltaic generators coupled with energy storage (PVS) can be allowed to provide – and be compensated for providing – essential transmission and reliability services. While it may seem out of scope in the near term, this initiative would benefit from the long-term view that PVS will become a growing part of the energy grid in the future and examining multiple cost recovery mechanisms now can simplify the implementation of any requirements down the road. Moreover, storage coupled with (and charged by) solar can benefit from the Investment Tax Credit (ITC), further reducing the cost burden and making those assets more competitive in the transmission planning process.

Cost recovery mechanism

The ISO has offered two alternative cost recovery mechanisms for discussion as part of the issue paper:

1. Asset in PTO's TAC rate base, and
2. Contractual provision of "cost-based" transmission service without becoming a PTO

Please provide comments on these two options and any other options the ISO has not identified. Additionally, please provide comments on the "wholly in rate base" and "partially in rate base" alternatives discussed within each of the above options.

Comments:

First Solar has no comments on this topic at this time.

Allocation to high or low voltage TAC

The ISO has expressed its plans to maintain the current practice of allocating costs to high or low voltage TAC based on the point of interconnection. Please provide comments on this proposal.

Comments:

First Solar has no comments on this topic at this time.

Other

Please provide any comments not addressed above, including any comments on process or scope of the Storage as a Transmission Asset initiative, here.

Comments:

Currently, this initiative considers storage assets whose primary function is to provide transmission services, and subsequently be bid into the energy market. First Solar recommends also considering how the reverse could be accommodated; that is, storage assets designed to participate in the energy market subsequently being considered as a transmission asset solution. First Solar also recommends that, in conjunction with this perspective, CAISO consider how storage that is incorporated as part of a PVS solution could be considered for transmission services after the full monetization and accounting of the ITC (after year 6).