



PG&E Comments on Draft Tariff for

Energy Storage and Distributed Energy Resources Phase 4

Submitted by	Organization	Date Submitted
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PG&E appreciates the CAISO's continued efforts to define and improve policy through the ESDER4 stakeholder initiative. In particular, the Default Energy Bid (DEB) formulation in the current version of the proposal offers a strong framework for the CAISO to build on as energy storage resources continue to increase on the system. In reviewing the draft tariff language, however, PG&E observed several inconsistencies between this document and the draft final proposal. While some or all of these points may be addressed with the publication of the final proposal, PG&E offers the following comments:

- 1. It is difficult/premature to comment on draft tariff language when the final proposal has yet to be published.** Considering that modifications to the CAISO tariff carry far more weight when compared to stakeholder policy drafts, PG&E recommends that tariff language draft discussions are best conducted *after* all proposal modifications are complete. While the release of draft tariff language is helpful for creating awareness, it causes confusion in the areas which aren't finalized and may also duplicate some editing work.
- 2. Terminology and language should be consistent between the draft tariff language and the final proposal.** PG&E observed that some concepts and terms such as "variable operating cost" and "charging duration" do not match with what is written in the draft final proposal. PG&E therefore recommends that consistency be maintained throughout all published materials.

Additionally, the CAISO should: (a) capitalize the term "storage resource option" throughout the draft tariff language, since it is defined in section 39.7.1.8 and (b) decide whether the term "storage opportunity cost" should be a defined term within the tariff.

- 3. Including the storage Opportunity Cost (OC) equation in draft tariff language may be premature.** PG&E understands the CAISO's proposal for calculating the Day-Ahead storage opportunity costs as an initial concept for stakeholders to use, but not as a proven approach based on actual data and analysis. Therefore, PG&E is concerned that including such an equation in tariff language is premature. Furthermore, the OC equation in the draft final proposal could use revision/clarification, since it suggests that a storage resource's OC will either always increase or remain the same compared to the previous day's OC value.