

## Comments of Stem, Inc.

### Regarding ESDER Stakeholder Initiative – Draft Final Proposal and Nov 9 Conference Call

Submitted by	Company	Date Submitted
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Topic Area	Overall Level of Support (Fully support; Support with qualification; or, Oppose)	Comments (Explain position)
Proposed enhancements to the non-generator resources (“NGR”) market participation model	Neutral	
Proposed enhancements to demand response performance measures and statistical sampling for the proxy demand resource (“PDR”) and reliability demand response resource (“RDRR”) market participation models	Fully Support	<p>Stem greatly appreciates the significant work and stakeholder engagement undertaken by the ISO to develop the MGO performance evaluation methodology. While not perfect, the proposed methodology strikes a reasonable balance of stakeholder concerns and is a well-justified solution for now. Stem expects that experience with market participation under the SCE LCR contract as well as the DRAM will provide valuable data in the efficacy and accuracy of this methodology.</p> <p>Accordingly, we hope that all parties acknowledge that the proposed MGO methodology is not necessarily the ultimate correct design, but that further refinements will be explored by the ISO, CPUC, IOUs and stakeholders in the near future.</p>
Proposed clarifications to rules for	Fully Support	Stem supports the proposed positions on the multi-use

non-resource adequacy multiple-use applications (provision of retail, distribution and wholesale services by the same resource)		questions under the assumption that the key question of settlement outside of market participation hours for NGRs will be taken up early in the 2016 ESDER schedule.
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