

# Stakeholder Comments Template

## Energy Storage and Distributed Energy Resources (“ESDER”) Stakeholder Initiative

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Energy Storage and Distributed Energy Resources (ESDER) stakeholder initiative Draft Final Proposal posted on November 2, 2015 and as supplemented by the presentation and discussion during the stakeholder web conference held on November 9, 2015.

Submit comments to [InitiativeComments@caiso.com](mailto:InitiativeComments@caiso.com)

**Comments are due November 16, 2015 by 5:00pm**

The November 2, 2015 ESDER Draft Final Proposal may be found at:

<http://www.caiso.com/Documents/DraftFinalProposal-EnergyStorageandDistributedEnergyResources.pdf>

The presentation discussed during the November 9, 2015 stakeholder web conference may be

found at: [http://www.caiso.com/Documents/Agenda\\_Presentation-EnergyStorageDistributedEnergyResource-DraftFinalProposal.pdf](http://www.caiso.com/Documents/Agenda_Presentation-EnergyStorageDistributedEnergyResource-DraftFinalProposal.pdf)

### **Instructions:**

Please fill in the following table to indicate your organization’s overall level of support for each of the three topics areas in the 2015 scope of the ESDER initiative. To indicate level of support, please select one of the following options: (1) Fully support; (2) Support with qualification; or, (3) Oppose. Please provide an explanation of your organization’s position in the comments column. If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

**Comments:**

SolarCity provides these comments on the California Independent System Operator's (CAISO) Energy Storage and Distributed Energy Resource (ESDER) initiative's draft final proposal. SolarCity appreciates this opportunity to comment and thanks CAISO for its hard work and collaboration to create a robust market design proposal that enhances market efficiency and allows energy storage and distributed energy resources (DER) to effectively compete at wholesale level.

SolarCity fully supports the current proposal, including CAISO's proposal on not disqualifying exports under PDR as presented by the CAISO on the stakeholder call on 11/9/15, and encourages rapid implementation. In addition, SolarCity encourages CAISO to further enhance ESDER by including "less than 24 hour settlement for NGR" during the second phase of the initiative.

SolarCity provides the following set of comments on two major categories which are then summarized using CAISO's provided template.

**I) Enhancements to demand response performance measures for the proxy demand resource ("PDR") and reliability demand response resource ("RDRR") market participation models**

SolarCity fully supports CAISO's market design features around measuring performance for PDR/RDRR. These features include using Metered Generation Output (MGO) to measure performance of PDR awards modified by a baseline methodology to discount typical retail usage, hence avoiding overlap between retail and wholesale services, and most importantly a mechanism to adjust performance/settlement of PDR awards in case of net-exporting. It is important to emphasize that net-exporting resources should only be accounted for the physical load they reduce during PDR dispatch intervals and **exporting events are not triggers for being completely disqualified from PDR**. This is clearly explained in CAISO's ESDER draft final proposal stakeholder web conference on November 9 through examples 1-4 on slides 23-26<sup>1</sup>. While the slides are extremely clear on this issue, CAISO's draft final proposal<sup>2</sup> still requires clarity and it is important that these examples be included in the final proposal and be

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<sup>1</sup> [https://www.caiso.com/Documents/Agenda\\_Presentation-EnergyStorageDistributedEnergyResource-DraftFinalProposal.pdf](https://www.caiso.com/Documents/Agenda_Presentation-EnergyStorageDistributedEnergyResource-DraftFinalProposal.pdf)

<sup>2</sup> <https://www.caiso.com/Documents/DraftFinalProposal-EnergyStorageandDistributedEnergyResources.pdf>

presented to CAISO's Board for approval (based on SolarCity's understanding, the examples presented on the 11/09/15 stakeholder call will be included in the final proposal).

## II) Clarifications to rules for non-resource adequacy multiple-use applications

SolarCity supports the proposal (assuming the inclusion of clarification of the performance/settlement for PDR awards in cases of exporting as presented on 11/9/15 on slides 23-26 examples 1-4) and further encourages CAISO to look into unresolved issues during ESDER Phase 2. Most importantly a less than a 24 hour per day settlement for NGR resources and ancillary service provisions for PDR should be included. SolarCity greatly appreciates the thoughtful approach from CAISO on Phase 1 initiatives and looks forward to working with CAISO for Phase 2.

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	Fully support	No comments
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	<ul style="list-style-type: none"> <li>• Fully support MGO</li> <li>• Support MGO baseline methodology to estimate typical retail usage               <ul style="list-style-type: none"> <li>○ ESDER phase 2 should consider a higher minimum days for establishing a baseline under PDR MGO</li> <li>○ ESDER phase 2 should consider ancillary services for PDR</li> </ul> </li> <li>• Fully support net-export settlement clarification for PDR               <ul style="list-style-type: none"> <li>○ Net – export should not lead to disqualification from PDR</li> </ul> </li> </ul>
Proposed clarifications to rules for non-resource adequacy multiple-use applications (provision of retail, distribution and wholesale services by the same resource)	Support with qualification	<ul style="list-style-type: none"> <li>• ESDER phase 2 should cover further enhancements to NGR model including less than 24 hour settlement</li> </ul>