

SCE Comments on Energy Storage and Distributed Energy Resources Phase 3

Submitted by	Company	Date Submitted
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Southern California Edison (SCE) provides the following comments on the California Independent System Operator (CAISO) Revised Straw Proposal on Energy Storage and Distributed Energy Resources Phase 3 (ESDER)¹.

SCE requests clarifications

1. The CAISO proposal states that "SIBR will accept bids only above the established net benefits threshold price." SCE notes that bids at the NBT are also beneficial to the system and thus the CAISO should clarify that bids at the NBT are also accepted.
2. The CAISO proposes that event hours do not disqualify an entire day from setting a baseline. In the CAISO's PDR-LSR example, the CAISO proposes only exclusion of event hours. This is a departure from the existing treatment of excluding an entire day if there is any dispatch during that day. Can the CAISO elaborate on the driver for this change? Further, will this change apply only to PDR-LSR or to all DR resources?
3. EVSE submetering has unaddressed issues
 - a. How will the CAISO ensure that when an EVSE is dispatched, the system does indeed get a reduction in load? For example, if an EVSE is called for DR, it would have to reduce/cease EV charging. It could achieve this goal by having an EV disconnect from the SE and continue charging at the host facility or a different bank of chargers. The EVSE then gets paid for DR when, in fact, the system did not have any drop in load.
 - b. How does the CAISO address a potential disconnect with the CPUC Rule 24/32? According to Rule 24/32, the load (and associated load drop) of a service account

¹ <http://www.caiso.com/Documents/RevisedStrawProposal-EnergyStorage-DistributedEnergyResourcesPhase3.pdf>

must be registered to a single DRP. Thus, an EVSE and a host facility cannot participate separately using different DRPs.

SCE does not agree that weather sensitivity should be deferred

Conditions impacting a large amount of CAISO-integrated MW capacity of DR need to be addressed by the CAISO. These include issues such as weather sensitivity. While the CAISO tied weather sensitivity to RA impact and proposed deferring the topic, SCE does not agree. Addressing limitations due to weather sensitivity should still be addressed in ESDER 3, as well as in the relevant CPUC proceedings (e.g. the RA OIR).

Among such limitations are run-time parameters. SCE does not anticipate any problems with the CAISO optimizing a resource over a time window, however, along with other stakeholders, sees the need for the CAISO to better recognize run-time use limitations. For example, the Capacity Bidding Program is one example of a DR program that has a limit on maximum number of event hours per day (6 hours in its case), which cannot be properly addressed with the existing parameters. This is especially true for weather sensitive resources, such as the Summer Discount Plan – where using the parameters such as the Maximum Daily Energy Limit does not adequately represent the hourly program limitations to the CAISO.

The impacted resources present hundreds of MW in the CAISO market, and should be considered a higher priority than emerging technologies which do not have a significant market presence at this time.