

**Renewables Integration – Market and Product Review, Phase 2**  
**Comments of CESA on Market Vision & Roadmap**  
October 21<sup>st</sup>, 2011

The California Energy Storage Alliance (CESA) appreciates the opportunity to comment on the CAISO's October 11<sup>th</sup> "Market Vision & Roadmap" ("Roadmap"), and the related presentation and discussion that took place in the October 18<sup>th</sup> stakeholder conference call concerning the Proposal.

As you know, the Proposal simply states that the CAISO intends to defer action it until there is FERC guidance issued regarding a ruling on the February 17<sup>th</sup> Notice of Proposed Rulemaking. **As you know**, FERC issued that guidance in the form of Final Order No. 755 on October 20<sup>th</sup> (Final Order). The Final Order finds, of course, that the current ISO/RTO payment structures for regulation are unduly discriminatory and preferential and that changes are required for them to become just and reasonable.

The CAISO must implement the Final Order within one year, which should coincide with the CAISO's regular Fall 2012 software release. CESA strongly supports this timing, because postponing design and implementation of the new regulation design beyond that time frame would significantly delay investment in the kind of new energy storage technologies that are operating in other regions of the country today. CESA recommends that the next version of the Proposal include a specific plan and schedule to fully develop and implement the guidance provided by FERC within the required timeframe.