

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE:**

**Expanding Metering & Telemetry Phase 2, Revised Straw Proposal**

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)<sup>1</sup> offers these comments on the Expanding Metering and Telemetry Options Phase 2 Revised Straw Proposal.<sup>2</sup>

The ideas and approaches developed in the Expanding Metering & Telemetry workshops have dramatically clarified the pathways for Distributed Energy Resources (DERs) to participate in wholesale markets. CESA and its members applaud and appreciate this work.

**1. The CAISO should include – or further detail the challenges with – market participation through heterogeneous DER aggregations in the near-term scope of this initiative.**

As proposed, the initiative limits DERP aggregations to be all energy storage, demand response, electric vehicles, or distributed generation, but not a mixture of resource types, even if within the same p-node or on the same customer site.<sup>3</sup> This homogeneity requirement may prevent resource participation and hinder market participation for resources planned and contracted for 2016 or beyond. Given this effect, CESA recommends the CAISO remove the homogeneity requirement if possible. Alternatively, the CAISO should elaborate on the basis for this restriction so that CESA and its members can consider potential solutions. For instance, if the homogeneity requirement stems from metering differences between a Proxy-Demand Response (PDR) resource and a Non-Generator Resource (NGR), scope changes to address PDR metering, or consideration of alternative ideas (*see #2*), may resolve these challenges. Within reason, if a DERP aggregation capably meets the specifications of a CAISO product, then the CAISO should remain agnostic to the combination of resources that can meet product specifications.

<sup>1</sup> The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (<http://storagealliance.org>)

<sup>2</sup> “[Expanding Metering & Telemetry – Phase 2: Revised Straw Proposal](#)”, CAISO, May 12, 2015

<sup>3</sup> *Ibid*, slide 19

**2. The CAISO should address issues related to the Proxy Demand Resource baseline measurement in this initiative.**

CESA understands the CAISOs desire to move aggregated behind-the-meter resources into a Non-Generator Resource (NGR) model but also recommends inclusion of alternative PDR metering ideas. Such changes may support market efficiency and the achievement of state goals through better access for DERs coming online in 2016 to participate in the CAISO’s market-place. Notably, such functionality may effect resources planning to provide local capacity as part of the Southern California Edison Local Capacity Requirement solicitation. If the CAISO cannot include alternatives to the PDR baseline methodology in this initiative, it should be addressed quickly elsewhere.

PDR metering alternatives may include approaches used in other organized markets, e.g. PJM, or onsite metering configurations. Such alternatives would need to meet the requisite standards for use in grid operations and seem best considered in this “Expanding Metering and Telemetry Options” initiative.

**3. The CAISO should examine alignment between distribution level interconnection and the ISO NRI process in this initiative.**

The alignment between distribution level interconnection and the ISO NRI process was proposed as a 2016 scope item for the Energy Storage and Distributed Energy Resources Initiative (ESDER)<sup>4</sup>. CESA, however, recommends its inclusion in the Metering and Telemetry initiative. The lack of clear alignment in the interconnection/NRI process is a major practical barrier to the implementation of DERP and/or distributed NGRs and is a critical path item. CESA suggests that if this alignment issue and associated metering and settlement issues are not addressed promptly, DERP projects may be unable to interconnect and participate, regardless of the other items resolved by this initiative.

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<sup>4</sup> [“Energy Storage and Aggregated Distributed Energy Resources Participation Stakeholder Initiative: Proposed Scope and Schedule”](#), CAISO, May 21, 2015