

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION**

Electric Storage Participation in Markets Operated by  
Regional Transmission Organizations and Independent  
System Operators

Docket No. RM16-23-000

Electric Storage Participation in Regions with Organized  
Wholesale Electric Markets

Docket No. AD16-20-000

**MOTION FOR CLARIFICATION OF THE  
CALIFORNIA ENERGY STORAGE ALLIANCE**

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March 19, 2018

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Pursuant to Rule 212 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure, the California Energy Storage Alliance (“CESA”) submits this Motion for Clarification of the Commission’s Order 841, issued on February 15, 2018.

CESA appreciates the Commission’s stated intent to remove barriers to wholesale market access, which underlie the proposed requirements to facilitate electric storage resource wholesale market participation.

**I. BACKGROUND**

Founded in 2009, CESA is a non-profit membership-based advocacy group committed to advancing the role of energy storage in the electric power sector through policy, education, outreach, and research. CESA’s mission is to make energy storage a mainstream energy resource which accelerates the adoption of renewable energy and promotes a more efficient, reliable, affordable, and secure electric power system. As a technology-neutral group that supports all business models for deployment of energy storage resources, CESA membership includes technology manufacturers, project developers, systems integrators, consulting firms, and other clean-tech industry leaders.

## II. MOTION FOR CLARIFICATION

CESA seeks clarification regarding when and why transmission charges should apply to wholesale energy purchased for later resale in the same area. CESA maintains that rules should prohibit the application of transmission charges, such as the Transmission Access Charge (“TAC”) charge in the California Independent System Operator (“CAISO”), for wholesale charging of energy storage devices when energy for charging is later resold. Existing CAISO practices accommodate this approach.

As CESA reads the Order, CESA finds conflicting positions on this matter. In Paragraph 298, the Commission finds that “electric storage resources should not be charged transmission charges when they are dispatched by an RTO/ISO to provide services because (1) their physical impacts on the bulk power system are comparable to traditional generators providing the same service and (2) assessing transmission charges when they are dispatched to provide a service would create a disincentive for them to provide the service.”<sup>1</sup> In contrast, however, in Paragraph 297 the Commission states that “When an electric storage resource is charging to resell energy at a later time, then its behavior is similar to other load-serving entities, and we find that applicable transmission charges should apply.”<sup>2</sup>

These positions seem to conflict, and CESA seeks clarification that the reasoning of Paragraph 298 is recognized as the correct policy approach in the final rule.

The reasoning in Paragraph 298, which directs an approach where *no* TAC is applied on wholesale charging by energy storage resources that later resell the energy (in wholesale markets) in the same balancing area, is sound because it ensures transmission costs are not over-allocated or over-collected. Specifically, in the CAISO, these costs are recovered through the application of cost allocation to measured demand, which includes load and exports. This load, can be actual load for retail or wholesale energy customers in the CAISO Balancing Area or can be exports, where energy presumably sinks to load in other areas. Through this approach, transmission costs are applied *pro rata* to load and exports based on usage and with other nuances to the transmission system cost allocation. Paragraph 297 thus suggests an unreasonable ‘double-application’ of TAC charges to stored energy for later resale. This double-billing would be unduly and financially burdensome to the usage of energy storage and unreasonable in the

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<sup>1</sup> *FERC Order 841*, Paragraph 298

<sup>2</sup> *Ibid*, Paragraph 297.

application of the cost-allocation and recovery for transmission charges.

For the above reasons, CESA seeks clarification and potentially rehearing if the Commission determines Paragraph 298 to be unreasonable.

### **III. CONCLUSION**

For the foregoing reasons, CESA requests Commission affirmation that the logic of Paragraph 298 be applicable for transmission charge recovery as directed by Order 841. If such clarification requires further regulatory consideration, CESA requests rehearing of this matter.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of *Motion for Clarification of the California Energy Storage Alliance* on all parties of record in proceedings *RM16-23-000* and *AD16-20-000* by serving an electronic copy on their email addresses of record and by mailing a properly addressed copy by first-class mail with postage prepaid to each party for whom an email address is not available.

Executed on March 19, 2018, at Berkeley, California.

A handwritten signature in blue ink, appearing to read 'Alex J. Morris', is written above a solid black horizontal line.

Alex J. Morris

March 19, 2018