

**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. ER19-468-001

**MOTION TO INTERVENE AND COMMENTS OF THE
CALIFORNIA ENERGY STORAGE ALLIANCE**

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May 23, 2019

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Pursuant to Rule 211 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure, the California Energy Storage Alliance (“CESA”) respectfully moves to intervene and provides comments in response to the Compliance Response of the California Independent System Operator (“CAISO”) to the Commission’s Order No. 841 in this docket. CESA focuses our comments here on the specific metering and accounting compliance item included in the CAISO’s Compliance Response related distributed energy resource (“DER”) participation. CESA does not find the CAISO’s Compliance Response to be in compliance with Order No. 841 that requires that distributed energy storage resources to be able to register for multiple participation models simultaneously. We look forward to further work to support DER market participation and plan to work with the CAISO to further address wholesale-retail billing-reconciliation issues or other barriers to DER 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. COMMUNICATIONS AND CORRESPONDENCE.

Address all communications and correspondence concerning this proceeding to:

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III. MOTION TO INTERVENE IN THIS PROCEEDING.

CESA's current membership consists of 174 Power Global, 8minutenergy Renewables, Able Grid Energy Solutions, Advanced Microgrid Solutions, Aggreko, Alligant Scientific, LLC, AltaGas Services, Amber Kinetics, Ameresco, American Honda Motor Company, Inc., Avangrid Renewables, Axiom Exergy, Better Energies, Boston Energy Trading & Marketing, Brenmiller Energy, Bright Energy Storage Technologies, Brookfield Renewables, Carbon Solutions Group, Clean Energy Associates, ConEd Battery Development, Customized Energy Solutions, Dimension Renewable Energy, Doosan GridTech, Eagle Crest Energy Company, East Penn Manufacturing Company, EDF Renewable Energy, eMotorWerks, Inc., Enel X North America, Energport, Energy Vault, Engie Storage, E.ON Climate & Renewables North America, esVolta, Fluence, Form Energy, General Electric Company, Greensmith Energy, Gridwiz Inc., Hecate Grid LLC, Highview Power, Ingersoll Rand, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Lendlease Energy Development, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Energy Solutions, LS Power Development, LLC, Magnum CAES, Malta Inc,

NantEnergy, National Grid, NEC Energy Solutions, Inc., NextEra Energy Resources, NEXTracker, NGK Insulators, Ltd., Nuvve, Pattern Energy, Pintail Power, Plus Power, Primus Power, PolyJoule, Quidnet Energy, Range Energy Storage Systems, Recurrent Energy, RES Americas, SNC-Lavalin, Soltage, Southwest Generation, Stem, STOREME, Inc., Sunrun, Swell Energy, Tenaska, Inc., Tesla, True North Venture Partners, Viridity Energy, VRB Energy, WattTime, and Wellhead Electric. 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>).

CESA's intervention in this proceeding is in the public interest, and CESA's interests will not be adequately reflected by any other party, particularly given CESA's role in energy storage and participatory access to the CAISO and California electric marketplace. California-focused energy storage interests also have existing, planned, and expected future deployments of energy storage that may be affected by rule changes, requiring CESA to communicate in this proceeding on their behalf. CESA therefore respectfully requests that this motion to intervene be granted.

IV. COMMENTS.

CESA previously commented on how the CAISO's Compliance Filing did not address the order from the Commission to take steps to net out the wholesale charges of the retail bill where a distribution utility is unable or unwilling to net out the double payments. Order No. 841 indicated that duplicative wholesale and retail billing could potentially limit the participation of DERs in wholesale markets and that such double payments would create inefficiencies.¹ In their Compliance Response, the CAISO appears to continue to be out of compliance on the "paying twice" issue.

Importantly, CESA finds that the CAISO did not adequately describe an accounting

¹ FERC Order 841, Paragraph 321

methodology that would allow the distribution utility or the metering entities to separate wholesale and retail charging energy for storage and introduces some irrelevant references station power. Because there is no physical way to distinguish wholesale from retail electrons, the direct metering of the electric storage system does not fully address the issue. To fully resolve the issue, the CAISO must work with the local regulatory authority or the retail utility directly to establish an accounting methodology that allows all parties to properly settle the charging energy transactions. These issues have not been addressed in a CAISO initiative, contrary to the CAISO's statements² – no accounting methodologies were scoped into or presented in the Energy Storage and Distributed Energy Resources (“ESDER”) Initiative or developed for metering entities to identify charging energy that eventually serves retail load. With the issuance of Order No. 841-A, the Commission clarified that Order No. 841 requires the CAISO to develop an accounting methodology by which wholesale and retail charging energy can be distinguished for accurate settlement, or alternatively, have the CAISO specify how it ensures that wholesale charges are not applied to this energy. CESA thus recommends that the Commission find the CAISO's Compliance Response to be out of compliance and be directed to address these “paying twice” concerns through accounting methodologies, pursuant to Order No. 841 and 841-A.

² CAISO Compliance Response at p. 24.

V. **CONCLUSION**

CESA appreciates the Commission's considerations of these remarks. CESA recommends the Commission direct the CAISO to better comply with Ordering Paragraph 321. CESA looks forward to further discussions regarding market participation and access by DERs.

Respectfully submitted,



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May 23, 2019

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of *Motion to Intervene and Comments of the California Energy Storage Alliance* on the official service list in the proceeding ER19-468-001, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Executed on May 23, 2019 in Berkeley, California.

A handwritten signature in blue ink, appearing to read "Alex Morris".

Alex Morris