

**RESOURCE ADEQUACY DELIVERABILITY FOR DISTRIBUTED GENERATION ISSUE PAPER AND  
STRAW PROPOSAL**

**January 5, 2012**

The California Energy Storage Alliance (CESA) strongly supports the expressed intent of the CAISO’s *Resource Adequacy Deliverability for Distributed Generation Issue Paper and Straw Proposal*, dated December 12, 2011 (Straw Proposal). To begin with, however, CESA recommends use of the term “distributed energy resources” (DER). The word “generation” should be deleted from the title of the initiative in recognition of the fact that distributed energy storage resources can be both load and generation, depending on the state of charge or discharge of the energy storage system at any time.

Clarification is needed in any event as to use of the term “distributed generation” – is it referring to “behind the meter and its implications for interconnection” or is it referring to larger projects interconnected to support distribution circuits?

Clarification is also needed as to the jurisdictional dividing line between the CAISO and the CPUC under the Federal Power Act. All DER projects are interconnected at the local distribution level and have nothing to do with transmission. Clarification of the division of responsibility between the CAISO and the CPUC is thus critical before any deliverability policy for DER can be considered. The CAISO needs to explicitly draw a bright line between its jurisdiction and that of the CPUC before going any further with this initiative.

Finally, clarification of the rationale for the proposed priorities and modeling approach is required. It is not intuitively obvious that the following is good public policy: “The modeled DG quantities are assigned the lowest priority in the study, which means that they will be the first to be reduced in order to achieve a feasible dispatch in grid areas where all the deliverable resources modeled cannot be simultaneously dispatched.” This statement reflects a foregone conclusion that DER projects cannot help achieve California’s energy policy goals. This notion appears to run completely counter to the Governor’s goals. The CAISO’s GIP is predicated on prioritizing larger projects. There is no reason that DER projects should be subject to the GIP. A new model is needed to consider DER projects that have no relationship to transmission.

Clarification of the above points will help expedite the deployment of DER because in so

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doing, rational interconnection and deliverability policies can be developed for appropriate categories of DER, especially small DER projects that have no connection to the transmission system.

CESA thanks the CAISO for this opportunity to comment on the Straw Proposal and welcomes further dialogue with the CAISO's staff going forward.

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