

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

California Independent System  
Operator Corporation

Docket No. ER16-1735-000

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

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC”), 18 C.F.R. § 385.211 and 18 C.F.R. § 385.214 and the Commission’s Notice of Filing dated May 18, 2016, the California Energy Storage Alliance (“CESA”)<sup>1</sup> hereby moves to intervene and offer comments in support of the proposed Energy Storage and Distributed Energy Resources Phase I Tariff Amendment (“ESDER Tariff”) filed by the California Independent System Operator Corporation (“CAISO”).<sup>2</sup>

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<sup>1</sup> 1 Energy Systems Inc., Adara Power, Advanced Microgrid Solutions, AES Energy Storage, Amber Kinetics, Aquion Energy, Bright Energy Storage Technologies, Brookfield, California Environmental Associates, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, Electric Motor Werks, Inc., ElectrIQ Power, ELSYS Inc., Enphase Energy, GE Energy Storage, Geli, Gordon & Rees, Green Charge Networks, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, Johnson Controls, K&L Gates, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, NEC Energy Solutions, Inc., NextEra Energy Resources, NGK Insulators, Ltd., NRG Energy LLC, OutBack Power Technologies, Parker Hannifin Corporation, Powertree Services Inc., Qnovo, Recurrent Energy, RES Americas Inc., Saft America Inc., Samsung SDI, Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Sovereign Energy, Stem, SunPower Corporation, Sunrun, Swell Energy, Trina Energy Storage, Tri-Technic, UniEnergy Technologies, Wellhead Electric, Younicos. *See*, <http://www.storagealliance.org>

<sup>2</sup> California Independent System Operator Corporation tariff filing per 35.13(a)(2)(iii): 2011-08-22 CAISO Regulation Energy Management Amendment to be effective 12/1/2011 (“REM Tariff”).

## **I. BACKGROUND.**

CESA is an industry group advocating to make energy storage a mainstream energy resource that accelerates the adoption of renewables and promotes a more efficient, reliable, affordable, and secure electric power system. CESA is technology-neutral and supports all business models for deployment of energy storage resources. CESA's member companies include a diverse range of advanced energy storage technology and manufacturing companies, systems integrators, and renewable energy developers. CESA's members also include members certain to be influenced by the ESDER Tariff, including large developers seeking to schedule Non-Generator Resources as well as customer-sited developers seeking to provide market participation from customer-sited resources also engaged, where appropriate, in providing customer services. CESA defines Multiple-Use Applications ("MUAs") as projects which provide value and services and that seek compensation for services provided in two or more jurisdictional areas of the grid.

CESA has worked with the CAISO and its stakeholders to arrive at the ESDER Tariff.<sup>3</sup> Following a robust and pragmatic stakeholder process, CESA strongly supports the ESDER Tariff filing and recommends approval of both the proposed tariff and implementation date of October 1, 2016.

## **II. COMMUNICATIONS AND CORRESPONDENCE.**

Address all communications and correspondence concerning this proceeding to:

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<sup>3</sup> Participation of Energy Storage in CAISO's Ancillary Service Market, January 12, 2010.

### **III. MOTION TO INTERVENE IN THIS PROCEEDING.**

CESA is a nonprofit association funded by members. CESA's intervention in this proceeding is in the public interest, and the interests of CESA and CESA's member companies will not be adequately represented by any other party. CESA therefore requests that this motion to intervene be granted.

### **IV. COMMENTS.**

#### **A. Rapid Approval of the ESDER Tariff will ensure new capacity resources slated for the Southern California Local Reliability Area Can Access Wholesale Markets to Provide Services.**

The CAISO requests FERC approval of the ESDER Tariff with an effective date of October 1, 2016. CESA strongly supports and recommends the Commission proceed as requested for several reasons.

The ESDER rules provide an important participation avenue to energy storage and distributed energy resources. Gaps in this pathway to participate were identified in the 2014 California Energy Storage Road-Mapping process. Without effective rule changes, these resources, particularly Behind-the-Meter ("BTM") Proxy Demand Resources cannot participate effectively due to issues with using the current PDR Baseline rules. The Metered-Generator Output Baseline Adjustment will dramatically improve the measured capacity of the resource, improving competition in the CAISO's market.

The rules also received serious vetting by stakeholders. The ultimate design engendered significant support and worked to guard against key concerns raised in the stakeholder process. CESA commends the CAISO for its robust stakeholder process in the ESDER initiative.

**B. PDR Rules Safeguard Against and Address Concerns of Inappropriate Payments**

The ESDER Tariff established a metered generator output baseline adjustment that is calculated in a conservative manner to ensure that PDR resource participation in the grid is differentiated from retail service, aka customer, activities. The ESDER Tariff approaches this matter from a principled view point that only unique and discrete actions not already represented in the wholesale procurement of load warrant wholesale market PDR compensation.

To ensure the baseline functions properly and conservatively, the ESDER Tariff lowers the minimum number of required ‘Event Days’ and calculates event days as if a PDR were bidding at the (relatively high) Net-Benefits Test level. Collectively, these steps imply a lower likelihood of event days as well as an ability to use fewer event days to establish a baseline. As the Commission has already authorized the use of PDR Baseline methodologies, approval of this more conservative MGO-adjusted baseline seems both reasonable and warranted.

CESA raised concerns with CAISO that the MGO adjusted baseline was in fact too conservative and could strand PDR capacity. While these concerns persist, CESA recognizes the CAISO’s approach as a prudent step to authorizing energy storage resource participation in customer-market MUAs, and so endorses this methodology at this time. The CAISO has committed to review other new baseline enhancements in their Phase 2 ESDER initiative, which is currently underway. CESA supports this path and believes the most important matter at this time is to implement the MGO-adjusted baseline as designed.

**C. NGR Model Enhancements Will Improve the Functioning of This Model and Allow Better Resource Participation**

The ESDER Tariff proposes several enhancements to the NRG model, including the ability of resources to update State-of-Charge (“SOC”) information in the Day-Ahead Market and to self-manage a resource’s state-of-charge instead of requiring the CAISO to manage it

through telemetry-influenced dispatch. CESA supports both of these changes and believes NGR is a critical model for participation of energy storage resources.

V. **CONCLUSION**

CESA looks forward to continuing to work with the CAISO and FERC to ensure that appropriate rules are in place to develop competitive and efficient ancillary services markets.

Respectfully submitted,



Donald C. Liddell  
DOUGLASS & LIDDELL

Counsel for the  
**CALIFORNIA ENERGY STORAGE ALLIANCE**

June 8, 2016

**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 all parties of record in proceeding *ER16-1735-000* 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 June 8, 2016, at Calabasas, California.

  
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Michelle Dangott

**SERVICE LIST - ER16-1735-000**

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