

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE:  
Regional Resource Adequacy, Second Revised Straw Proposal**

Submitted by	Company	Date Submitted
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The California Energy Storage Alliance (CESA)<sup>1</sup> submits these comments on the Regional Resource Adequacy Second Revised Straw Proposal and related discussions at the stakeholder meeting.<sup>2</sup>

CESA appreciates the CAISO’s efforts to stakeholder and seek feedback on this initiative. The establishment of smart Regional Resource Adequacy (RA) rules is important insofar as it sets a reasonably level playing field for entities that are or that could become part of the CAISO’s footprint. These rules also serve as an important structure for reliable operations in CAISO-directed markets. Additionally, A detailed and defensible stakeholder process will ensure the CAISO assumes a responsibly neutral approach to input from potential new CAISO entrants or new CAISO Participating Transmission Owners (PTOs).

CESA Comments:

The CAISO should incorporate default counting rules for energy storage systems that appropriately value Regulation Energy Management (REM) capacity. The proposal currently lacks details on default counting for REM resources, which should count for the full storage range (from charging to discharging) as this is the capacity offered and counted for REM services. CESA appreciates the CAISO’s efforts to update the proposal in this regard.

The CAISO should also put reasonable limits on the establishment of ‘new’ RA concepts that it develops in this initiative, including the use of MIC to access unspecified generation resources. While some exploration of this idea is likely appropriate, the CAISO should prudently limit the potential use of this path which, without a contract for firm generating capacity from a resource,

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<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> <http://www.caiso.com/Documents/SecondRevisedStrawProposal-RegionalResourceAdequacy.pdf>

may function in practice more as an exemption to RA than as a dependable element in a portfolio of resources. RA is a planning tool, and the establishment of RA exemptions may undermine the planning value of RA. The CAISO should keep in mind that all PTOs should be allowed similar treatment (subject to the approval of their Local Regulatory Authority), so exemptions for RA rules could end up being larger than anticipated. Perhaps to address the potential for some potential or current PTOs to rely on non-specified imports as RA, these PTOs may wish to develop, RA-style contracts that can 'count' for fleet capacity. CESA is not clear if WSPP Schedule C contracts provide this level of specificity nor are sufficient for informing outage planning and other reliability planning efforts. To CESA, the idea that generation capability will be available, even without an RA-style capacity payment, implies that the RA 'value' of such unspecified resources is \$0 and that a contract for that amount could be struck.

CESA appreciates consideration of its comments.