



**Stakeholder Comments**  
**2014-2015 TPP Stakeholder Meeting**  
**September 24-25, 2014**

Submitted by	Company	Date Submitted
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CESA appreciates the opportunity to comment on the 2014-2015 Transmission Planning Process ("TPP") Stakeholder Meeting held September 24-25, 2014, along with the California ISO's reliability results.

CESA's comments are limited to the issue of non-wires alternatives in the 2014-2015 TPP. CESA notes that the ISO committed in the 2014-2015 TPP Study Plan to evaluating non-wires alternatives throughout the ISO footprint. Specifically, the ISO stated the following<sup>1</sup>:

In the current transmission planning cycle, the ISO plans to continue the preferred resource analysis in the LA Basin and San Diego area as well as other parts of the ISO controlled grid to refine the evaluation of effectiveness of preferred resources based on their particular characteristics. The preferred resource studies are intended to supplement the main reliability studies and will focus on those areas where preferred resources are identified as potential solution to reliability issues. As such, the assumptions in the preferred resources study with regard to preferred resources, peak demand levels, conventional generation, etc. will be the same as the assumptions in the reliability assessment studies described in Section 4. However, unlike the main reliability studies, the preferred resource studies will take into account the specific characteristics of the preferred resources. In addition to summer peak load conditions the studies may also consider peak load conditions during other seasons.

In addition, the ISO is working with the utilities, and intends to consult with industry through the course of the summer, to establish the characteristics that demand response programs and storage need in order to be viable transmission mitigations. The ISO will work with the utilities to identify those programs that have the appropriate characteristics such that they can be considered when alternatives are developed and compared once the study results testing system reliability have been completed, and options are being explored.

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<sup>1</sup> Section 6.2 of the 2014-2015 TPP Study Plan, p.36

As indicated above and elsewhere in this study plan, the ISO will be considering the applicability of the existing demand response within the Reliability Assessment as potential mitigations to transmission constraints. Further, as indicated in section 4.11, ISO will also incorporate incremental uncommitted energy savings in the forecast utilized in the studies. Within the RPS Transmission planning assessment, the ISO will be assessing the High Distributed Generation scenario reflecting grid-connected distributed generation provided by the CPUC, and further notes that the CEC demand forecast accounts for “behind the meter” distribution connected generation.

CESA is unaware of the ISO conducting industry consultation promised by the ISO ‘through the course of the summer’ the on the topic of DR/storage characteristics needed to be viable transmission mitigations. CESA therefore encourages the ISO to engage in the promised industry consultation. In addition, CESA urges the ISO to adhere to its commitment to consider energy storage with the appropriate characteristics as an alternative to transmission solutions, including not just reliability solutions, but also for economic and policy driven transmission solutions.

As the ISO is aware, energy storage has the added benefit over a transmission solution of being able to provide multiple functions (both market and rate-based). CESA’s default assumption, as of right now, is that storage providing any type of market service would need to be exclusively contracted through utility competitive solicitations and receive CPUC approval. While CESA believes that FERC made clear that such hybrid assets should be able to be partially rate based<sup>2</sup>, CESA recognizes the ISO takes the position that this is not currently possible. As an interim solution, CESA urges the ISO to provide an information-only assessment in the TPP that evaluates energy storage projects as either (a) part of the system resource portfolio – or (b) in the ISO generation queue (which is perhaps more valuable to developers), for reliability, economic, and policy benefits they could provide to the ISO grid. This information could then be used as an additional input generators could provide when bidding into the utilities’ competitive solicitations to help them evaluate the range of benefits that any specific project could provide. This has the added benefit of providing what would effectively be a ‘free’ transmission benefit to the ISO-controlled grid if such project was then to be procured by a utility. The ISO could then follow its existing procedure<sup>3</sup> to follow up on such projects to ensure they move forward and can actually deliver such benefits.

Again, CESA appreciates the opportunity to comment on the 2014-2015 TPP stakeholder meeting, and looks forward to continued collaboration with the ISO to ensure that non-wires alternatives are comprehensively, fairly and accurately assessed in the annual TPP.

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<sup>2</sup> As laid out in FERC Order 784

<sup>3</sup> As laid out in <http://www.caiso.com/Documents/Paper-Non-ConventionalAlternatives-2013-2014TransmissionPlanningProcess.pdf>