

DERTF: Evaluate Framework (IR070) (20210201)

<https://www.misoenergy.org/stakeholder-engagement/stakeholder-feedback/dertf-evaluate-framework-ir070-20210201/>

During the February 1, 2021 Distributed Energy Resources Task Force (DERTF) meeting, MISO discussed the draft framework that will support the guiding principles as solutions are evaluated for Order 2222 compliance. Stakeholder feedback is requested on the evaluation framework and evaluation questions presented.

The Organization of MISO States' Distributed Energy Resources Working Group (OMS DERWG) appreciates the opportunity to submit the following comments in response to MISO's feedback request regarding the FERC Order 2222 Evaluation Framework and Question Set. This feedback does not represent the position of the OMS Board of Directors.

Evaluation Framework

OMS DERWG finds the proposed evaluation framework to be a useful starting point and framing for analysis. The gap analysis and the 'yes/no' assessment of existing market products and their capabilities in relation to Order 2222 requirements presented at the February 5th DER TF is helpful in the first cut of the work that needs to be conducted. OMS DER WG believes it is crucial that the DER TF begin working immediately on the issues associated with each item as laid out in the work calendar for several reasons.

First, due to the short timeframe, each DER TF meetings will need to be clear in advance about what questions will be asked and answered and MISO will need to provide stakeholders with sufficient time to review the material.

Second, it is likely that issues for evaluation in each of the topic meetings will have the potential to be circular or may inform other meeting date topics or potentially change the preferred trajectory (impacting previous meeting topics).

Third, due to the short timeframe (extension or not) and the likelihood that not all issues will be able to be resolved, it is important that in each meeting that issues are triaged, without stakeholder input, on which are near term needs and which can be dealt with long-term in a post-compliance filing.

With only four months remaining to the compliance deadline, either multiple stakeholder-based straw proposal should be put forth for evaluation for each meeting and subject area, or a more detailed work plan and clear set of materials for stakeholders to comment on should be released by MISO for each meeting.

Evaluation Questions

As to the Evaluation Questions, the OMS DERWG find the set of questions to be a reasonable start for evaluation. Evaluation questions set cannot possibly be complete or perfect at the onset, and questions and considerations will develop as the discussion proceeds. It is more important that we start work versus getting the questions perfected.

OMS DER WG is interested in not only using the questions for evaluation purposes but also to prompt and further stakeholder discussion in the DER TF meetings and to see if the final product and considerations in MISO's compliance filing address these initial questions.

OMS DERWG recommends that both the original and additional question sets be applied for evaluation. Both provide different considerations that are reasonable for assessment. Further, it is crucial that definitions of the market product and service that is being sold are clear as states will use these definitions and product attributes to some degree to delineate retail and wholesale services. It is assumed that states will bear the brunt of this delineation by resolving any misalignment between the MISO tariff and state-jurisdictional retail tariffs. For instance, states will likely need to ensure their interconnection rulesets and retail tariffs specify the services being provided, which will ultimately be used to prevent the duplication of services (offering the same service at wholesale and retail - energy, capacity, and ancillary services) and relatedly, financial double counting in settlements. State regulators will likely be called upon to resolve any disputes that arise from any of the above, in addition to the processes already embedded in MISO's tariffs.

Additionally, OMS DERWG supports the continued use of the issues tracking tab on the MISO spreadsheet. There are issues and questions that arise that are broader than 2222 (but exacerbated by Order 2222) that need action by MISO and stakeholders. The tracking tool that has been created will be useful for all stakeholders.

OMS DERWG appreciates the opportunity to provide refinement and additions – and recommends adding the following questions:

Market Design:

1. What is different about DERAs versus DRR1 or DRR2 (or other product types) that may require different multi-nodal geographic aggregation considerations?
2. How can multi-node aggregation be accommodated at different scales (utility boundaries, zonal crossings, LBAs, etc.)? What nodal-scope attributes should be considered? What are the pros/cons to each?
3. Are there baseline zonal considerations that will be required for data collection or sharing, regardless of any potential aggregation nodal-scope (i.e. forecasting requirements) and therefore should be used to inform potential geographic boundaries? If so, what and why?
4. MISO Proposed Question: "How will pseudo-tied assets be considered?"
 - a. Need clarity on this question. Is it assumed that there may be DERAs in, say, PJM, that are participating in MISO markets? Does pseudo-tied in this question/context have the same meaning as other psuedo-ties in MISO, or is this an analogous concept?
 - b. Are there considerations that need to be made about internal or potential external aggregations to the MISO footprint? (depending on the definition used within this conversation, i.e. "external aggregations")
5. How may the proposals impact utilities that oscillate over the four million MWh threshold?
6. Does the solution need additional considerations for utilities or distribution companies that are nested under other distribution companies or multiple companies?

Planning and Interconnection

7. Do solutions and coordination frameworks, or contracts, include all the parties that may be affected? Are there any considerations that should be applied for unintended effects and costs?

Qualification, Registration, and Modeling

8. What level of information and data transfer needs to be automated for optimal functionality, versus what has to be – or could be, conducted manually?

9. What is the delineation between functionalities of implementation pre-Market System Enhancement versus after? What are the cost trade-offs and likely time difference in implementation?

Data Requirements and Communications

10. What is the full scope of cost of any solution to the full electrical system, are those costs reasonable to each entity, and were they fairly prioritized?
11. What risk to distribution system and distribution forecasting entity is there if forecasted distribution/DERA values are used? Are there other considerations that should be assessed when evaluating whether to use forecasted values - and who provides those values? How will those costs be allocated or penalties for non-performance be assessed and how will those relate to forecasted values?

Settlements, Measurements, and Validation

12. Should DERAs be held to the same credit-worthiness tests and contracting requirements with MISO (or higher or lower) as other market products? What types of risk are these new market participants bringing to the market, and is the penalty in relation to the risk? Inversely, are all benefits to the products being accounted for?
13. Would DERA be subject to the same non-performance requirements as all other resource types offering the same product?
14. How are non-performance penalties assessed for distribution company called reliability overrides? Who determines the validity of the override, and should the penalty change be based on valid or non-valid calls?
15. Is the created market participant type and tariff provisions reasonable and of practical use? Is it likely that the products are useable? (Evaluating whether a CAISO/CAPUC solution has been implemented, looks good on paper – but feasibly not useable/attractive to participants). Do tariff provisions require technologies or capabilities that are too expensive for the market to bear, creating barriers to entry that make the order moot?
16. Is the final product as minimal as possible, as protective as necessary, involve and inform the right interested persons, and create a workable product without using unnecessary and/or onerous requirements?