

# California Community Choice Association

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## Contact

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### **1. Please provide your organizations feedback on definition of the scope of potential solutions and next steps? Are any of the scope items able to be separated into a narrow solution, while others require a broader approach?**

The California Community Choice Association (CalCCA) shares concerns expressed by working group participants around the \$1000/ megawatt-hour (MWh) bid cap limitation on storage resources when the bid cap for other resources is raised to \$2000/MWh. The result of this limitation may be storage capacity dispatching too early, leading to a potential shortage later if storage is unavailable in later hours when conditions tighten. Specifically, when prices go above \$1,000, storage resources could make a profit, and the system could still benefit from charging at \$1,000 per MWh and discharging at something higher than \$1,000 MWh, but they are unable to do so under current rules.

By limiting storage resources to \$1,000 per MWh when other resources can bid above \$1,000 per MWh, the CAISO is preventing storage resources from operating in a manner that best serves grid reliability and market efficiency. The CAISO should, therefore, allow energy storage and other resources with opportunity costs to bid above \$1,000 per MWh when the bid cap is raised to \$2,000 per MWh through an opportunity cost-based default energy bid that considers conditions when bids rise above \$1,000 per MW/h.

### **2. Please provide your organization's perspective on proposed solutions to address the issues above.**

See response in section 1.

### **3. Is there additional information that would be helpful for your organization to understand the topic/issues better?**

CalCCA has no comments at this time.

### **4. Please provide any additional feedback.**

CalCCA has no additional comments at this time.