



November 17, 2016

Commissioner Cheryl A. LaFleur

STATEMENT

FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RM16-23-000, AD16-20-000

Item No. E-1

Statement of Commissioner Cheryl A. LaFleur on Proposing to Integrate Electricity Storage into Organized Markets

"I am pleased that the Commission is proposing today to eliminate barriers to full participation of storage technologies in wholesale markets for any capability they can provide. I strongly support the development of a market participation model for storage resources, which is a logical next step in our ongoing work to remove barriers to wholesale market participation for new technologies. Storage resources have the potential to contribute to the grid in many different ways, furthering reliability, affordability, and the integration of renewables. I believe the proposed rule does a good job of recognizing storage resources' unique attributes and will better enable storage resources to provide those capabilities to the system.

"In recognition of the potential for distributed storage resources, today's order also proposes reforms regarding the aggregation of distributed energy resources in wholesale markets, including but not limited to storage resources. I am especially interested in comments on that aspect of the Commission's proposal.

"Distributed resources are an increasingly important part of the nation's resource mix and will play a critical role in the future of the grid. However, their participation in wholesale markets presents unique issues since they are connected to the grid at the distribution level. I believe that successfully deploying distributed resources on a large scale while ensuring the safety and reliability of both the transmission and distribution systems will require close coordination among the RTO/ISOs, the distribution control centers that operate the systems to which they are connected, and the distributed energy resource aggregators. This coordination could include, for example, real-time operating procedures and software-enabled communications among the control centers. Today's order requests comment on these issues.

"Finally, I note that the California ISO has recently begun implementing rules for distributed energy resource aggregations, and we are awaiting an informational report on those efforts. I invite comment on what we are learning from California and how it may inform the substance and timing of implementation of proposed reforms related to distributed energy resource aggregations in other RTO/ISOs."