



STATEMENT

Statement of Commissioner Robert F. Powelson on Electric Storage Participation in Markets Operated by RTOs and ISOs

Date: February 15, 2018

Docket Nos.: RM16-23-000;
AD16-20-000
Item No.: E-1

"I am pleased that the Commission is acting today to remove barriers to the participation of electric storage resources in the markets operated by Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). I fully support today's action, as it represents a step forward for new technologies and is consistent with our longstanding commitment to fostering innovation and competition by reducing and eliminating barriers to entry. The adoption of a market participation model for energy storage resources will ensure the opportunity to compete in a market-based environment.

"In my view, today's Final Rule also strikes the appropriate balance between prescriptive requirements and high-level directives. We have directed the RTOs and ISOs to develop a participation model for energy storage resources that must take into account certain physical and operational characteristics unique to those resources. In doing so, we have given the RTOs and ISOs significant latitude to develop market rules that work best with existing market constructs and are respectful of regional differences. I encourage all stakeholders to work diligently in developing the tariff revisions necessary to bring the RTOs and ISOs in compliance with the Final Rule.

"I also strongly support further record development regarding the participation of aggregated distributed energy resources (DERs) in the wholesale markets. The participation of these resources raise questions that merit further exploration. Topics that I believe are of particular importance are the nexus between wholesale and retail rate structures, operational characteristics and system reliability, and cost allocation. Accordingly, I believe that today's announcement of a technical conference to discuss these and other issues is the appropriate next step. I am eager to engage with state regulators and other stakeholders to address aggregated DER participation in the wholesale markets.

"As a final matter, I believe that new technologies like electric storage are an important part of our ongoing discussion of grid resilience. The resilience of the grid depends in part on the ability to quickly respond to unforeseen events. Flexible resources that possess unique physical and operational characteristics that will assist us in accomplishing that goal should therefore be permitted to participate in the RTO and ISO markets."