PG&E reiterates the questions raised in PG&E’s PRR comments submitted to the CAISO on Feb 13, 2024. PG&E requests again that the CAISO provide the underlying data to support this change and address the comments regarding the need for an ASSOC stakeholder process. PG&E offers the following additional comments:

1. **More information is needed on whether the ASSOC flag is working as designed for binding intervals.**

In the first part of the CAISO’s response, reference was made to a change in the ASSOC equation during the Energy Storage Enhancements implementation on July 1st 2023. Would the CAISO confirm that this refers to ESE-BRQ043 from the ESE business requirements specifications? (<https://www.caiso.com/Documents/BusinessRequirementsSpecificationEnergyStorageEnhancementsTrack1.pdf>). If the current ASSOC logic is causing some binding intervals to not have an ASSOC flag when in fact the flag is warranted, the CAISO needs to state this unequivocally. If this is the case, PG&E requests the CAISO focus on fixing the issue with the binding interval logic rather than expanding the ASSOC flag to include advisory intervals. PG&E believes changes proposed in this PRR are overreaching and counter to the design of the ASSOC constraint.

1. **The changes proposed in PRR1547 are inconsistent with the CAISO Tariff.**

Tarriff Section 11.6.6 reads “Where the CAISO dispatches storage resources participating as Non-Generator Resources to charge or discharge pursuant to Sections 8.4.1.1(g) or 8.4.3 for the Real-Time Market, they will be ineligible for RTM Bid Cost Shortfalls.” The CAISO’s rationale is that since “all advisory intervals in a market run ***have the ability to drive an uneconomical dispatch*** of the storage resource in the financially-binding interval” (emphasis added), those intervals should also be ineligible for bid cost recovery (BCR). This argument conflates dispatch for storage resources with conditions that *may lead* to dispatch for storage resources. Unless the CAISO can demonstrate that all advisory intervals which cause an ASSOC flag cause uneconomic dispatch in the corresponding binding intervals, PG&E believes the changes proposed in PRR1547 are inconsistent with the Tariff.

1. **The CAISO’s commitments made to FERC should be upheld.**

In the September 19th 2022 FERC filing, while describing which intervals shall be made ineligible for BCR, the CAISO states: “The CAISO’s proposal will not affect the availability of bid cost recovery payments to storage resources during any other intervals.” If the CAISO implements changes in PRR1547 as proposed, this would expand the number of intervals ineligible for BCR and be inconsistent with language the CAISO submitted in its FERC filing.