



## Stakeholder Comments Template

### PDR - Resource Adequacy Clarifications Initiative

- **Effective Flexible Capacity Value for Proxy Demand Resources Tariff Clarifications**
- **Slow Demand Response Final Proposal** (formerly within RA Enhancements initiative)

This template has been created for submission of stakeholder comments on the **Proxy Demand Resource (PDR) – Resource Adequacy (RA) Clarifications Initiative** web conference that was held on April 28, 2020. The meeting material and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/StakeholderProcesses/Proxy-demand-resource-resource-adequacy-clarification>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on May 8, 2020.

| Submitted by                        | Organization                                                     | Date Submitted     |
|-------------------------------------|------------------------------------------------------------------|--------------------|
| <i>Luke Tougas<br/>510.326.1931</i> | <i>California Efficiency +<br/>Demand Management<br/>Council</i> | <i>May 8, 2020</i> |

**Please provide your organization’s comments on the following topics and indicate your organization’s position on the topics below (*Support, Support with caveats, Oppose, or Oppose with caveats*). Please provide examples and support for your positions in your responses, as applicable.**

The California Efficiency + Demand Management Council (“Council”) appreciates this opportunity to provide comments in response to the CAISO’s Proxy Demand Resource – Resource Adequacy Clarifications initiative. As discussed further below, the Council is generally supportive of the Effective Flexible Capacity Value for Proxy Demand Resources Initiative Issue Paper and Straw Proposal. The Council is also generally supportive of the CAISO’s efforts regarding “slow” demand response (DR) but with several caveats, and reiterates its concerns about the CAISO’s interpretation of NERC requirements.

#### 1. Effective Flexible Capacity (EFC) for PDRs

The Council remains supportive of the CAISO's proposal to remove subsection 40.10.4.1(c) from its tariff and adopt the approach for determining the Effective Flexible Capacity (EFC) of a Proxy Demand Resource (PDR).

## 2. Slow Demand Response (DR)

The Council would like to preface its comments by saying that DR is a local, distributed resource, and is available to reduce demand in local capacity areas. As a general principle, the Council does not support the CAISO's requirement that certain local capacity resources must be dispatchable within 20 minutes. It continues to be unclear why the CAISO has chosen to interpret the associated NERC requirement differently than every other ISO/RTO in the country by requiring sub-30 minute dispatch capability of certain local capacity resources.

Despite these concerns, the Council supports the CAISO proposal with three major caveats. First, the CAISO indicated during the April 28 stakeholder call that the post day-ahead market process by which the CAISO would determine whether to schedule slow DR resources would be completed by approximately 3:00 p.m. each day. This time frame is reasonable because for some DR participants, the relevant staff needed to take actions the day prior to the scheduled dispatch to implement the required load reduction may not be onsite after a certain time of the day. This timing should be explicitly indicated when voted on by the Board.

Second, CAISO should specify that only those PDRs that are indicated in an LSE supply plan as providing Local Resource Adequacy (RA) should be subject to pre-contingency dispatching to maintain local reliability. PDRs that are not being compensated for providing Local RA to an LSE should not be subject to potentially more frequent dispatch. If the IOUs are not required to put their DR resources on a supply plan they should separately indicate monthly which of these DR resources are providing Local RA and should be available to the CAISO for pre-contingency dispatch just as third-party DR resources that provide Local RA are.

Third, the CAISO should explicitly specify that slow DR resources providing Local RA in an LSE supply plan (or on a listing from an IOU) will be recognized in its Local Capacity Technical Studies to ensure that additional local capacity resources are not procured when they are not needed.

In addition to these necessary clarifications, the CAISO should also specify what types of contingencies would be assessed in the post day-ahead market process to determine whether pre-contingency dispatch of a slow DR is needed. Similarly, the CAISO should provide some indication of how frequently they expect pre-contingency dispatch to be needed. These two pieces of information are especially critical to DR providers to make informed decisions on whether they want to provide Local RA to an LSE (or whether they can based on their customers' capabilities) and at what price. Without this information, DR providers may be less willing to provide Local RA which would contradict the CAISO's purpose for developing the slow DR mechanism in the first place.

### Additional comments

N/A