



California ISO


Demand and Distributed Energy Market Integration Working Group

February 5, 2025

Housekeeping reminders

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- These collaborative working groups are intended to stimulate open dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- If you need technical assistance during the meeting, please send a chat to the event producer.

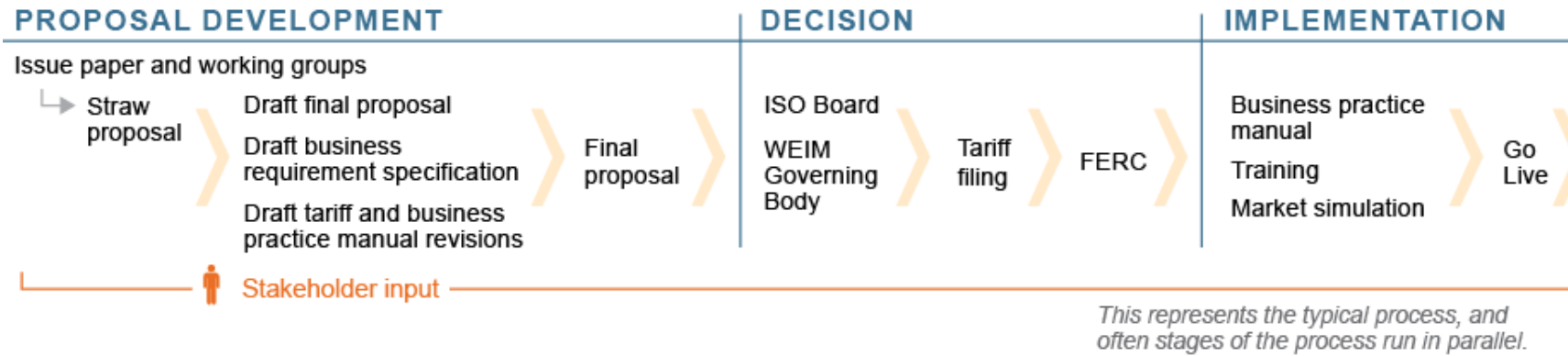
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- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the bottom of your screen.
 - **Note:** #2 only works if you dialed into the meeting.
 - Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to all panelists.

Today's Working Group Agenda

Time	Topic	Presenter
1:00 – 1:05	Welcome, Today's Agenda	Brenda Marquez
1:05 – 1:15	Today's Goals	Juan Buitrago & Jimmy Bishara
1:15 – 1:45	Review of Working Group Model	Juan Buitrago
1:45 – 2:00	Reference Material Review	Ansel Lundberg
2:00 – 2:30	Working Group Scoping	Jimmy Bishara
2:30 – 2:55	Stakeholder Discussion: Feedback	All
2:55 – 3:00	Next Steps	Brenda Marquez

CAISO Policy Initiative Stakeholder Process



We are here

Welcome

The Demand and Distributed Energy Market Integration Working Group has been formed to:

- Be responsive to stakeholder desire to continue Demand and DER market participation model and policy design discussions through a stakeholder-driven process;
- Promote shared understanding of current market participation options for demand and distributed energy resources; and
- Allow for discussion on potential new enhancements or approaches for integrated supply side and demand side participation to be reflected in the market.

Goals of Today's Working Group Kick Off

The Working Group structure is meant to embrace flexibility to allow organic and robust conversation on the topics at hand – it is key for us to drive towards solutions collaboratively

- **Review of Working Group Model**
 - Review the Working Group model to ensure an understanding of what to expect, tentative timelines, how to best engage, and the roles & deliverables that will result from the Working Group.
- **Reference Material Review**
 - Highlight current and forthcoming educational/reference material available to stakeholders around Demand Response and Distributed Energy Resource participation to enable robust discussion in future Working Group sessions.
- **Working Group Scoping**
 - Proposed working group principles and feedback process
 - Review of interplay with Policy Catalog process and this Demand and Distributed Energy Market Integration Working Group.
- **Stakeholder Discussion**
 - Stakeholder feedback on proposed Working Group plan and address open questions.



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Review of Working Group Model

Working Group Structure - Roles

- **Facilitator:** the Working Group will be managed by a designated ISO facilitator.
 - Responsible for guiding discussion on principles, problem statements, and prioritization.
- **Scribe:** the Working Group has a designated scribe.
 - Responsible for capturing discussion and evolution or proposal(s), publishing meeting summaries, and working jointly with the facilitator.
- **Subject Matter Experts:** provide their in-depth knowledge and expertise in a specific sector or policy to deliver accurate and up-to-date information, and advice on working group deliverable development.
 - Responsible for development of market policies and procedures relevant to their area of expertise
- **Working Group Participants:** provide ideas, proposals, input, and vetting.
 - Working groups are open to all stakeholders.
 - ISO staff will also be participants in working group.

Demand and Distributed Energy Market Integration CAISO Working Group Team Leads



Jill Powers
DR and DER Sector Manager,
Market Policy Development
Working Group Sector Policy SME



James "Jimmy" Bishara
Account Manager, Stakeholder Engagement
Working Group Co Facilitator



Brenda Marquez
Stakeholder Engagement and Policy Specialist
Stakeholder Affairs
Working Group Scribe

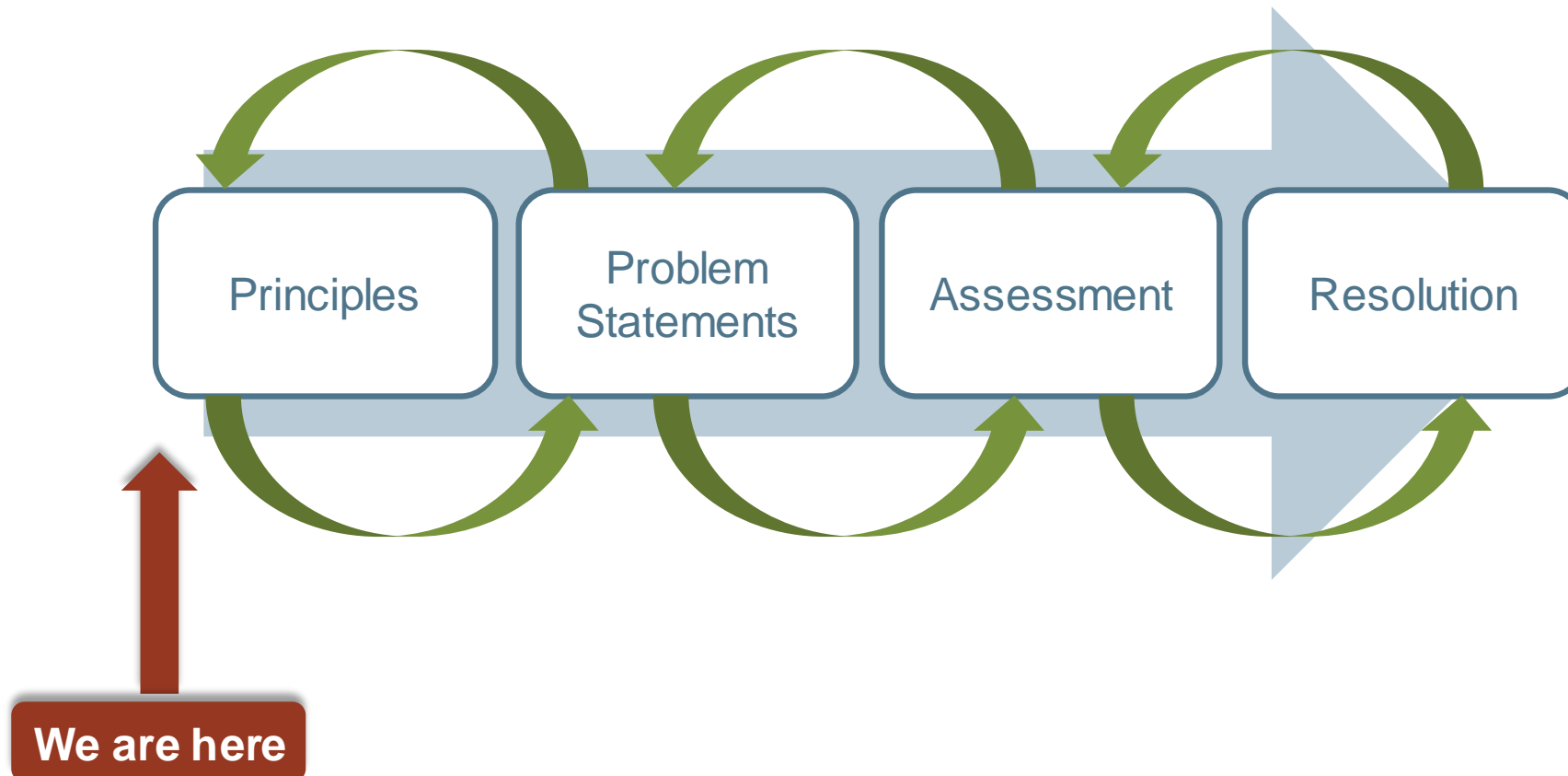


Ansel Lundberg
Policy Developer, Policy Development
Working Group Policy Lead SME



Juan Buitrago
Account Manager, Stakeholder Engagement
Working Group Co Facilitator

Working group process progression visual



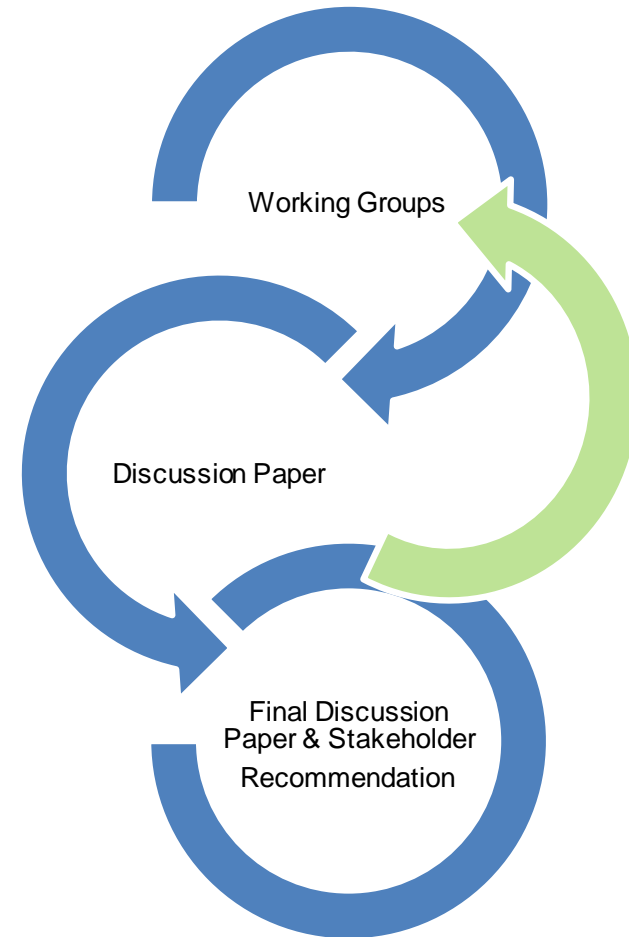
Working Group Deliverables

Demand and Distributed Energy Market

Integration: Initial scoping discussions for this Working Group will be captured in a discussion paper, which will be iteratively updated as the Working Group progresses to reflect Stakeholder discussion.

The Discussion Paper will take an iterative approach, creating a history and providing opportunities to reflect, comment, and prepare for subsequent discussion.

Stakeholders will have opportunity to provide comments on the Discussion Paper during meetings, as well as written comments via the commenting tool.



Demand and Distributed Energy Market Integration Working Group Goals

Stakeholders have the opportunity to provide input on key components leading up to proposal development, ahead of the policy development phase:

1. **Develop Principles:**
 - Define and illustrate principles for market design
2. **Form Problem Statements:**
 - Form problem statements reflecting stakeholder concerns
3. **Align on priorities and establish meeting cadence**
 - Balance staff and stakeholder bandwidth
4. **Justify problem statements:**
 - Explore current ISO market operations, functionality, processes meant to address problem statements
 - Develop methodology for analysis, define data needs
5. **Determine Action Items**
 - Provide a bridge between working groups and proposal development

Action items articulate the stakeholder vision

- Action items might include interim steps to facilitate consensus and derive more value from an initiative, for example:
 - A commitment to a second phase of working groups to address lower priority topics and concepts without straining stakeholder bandwidth
 - A request for ISO staff to provide data analysis or assessments of operational feasibility
 - A proposal for evaluation or coordination of topics deemed outside of the ISO's jurisdiction

Context: the final 2024 CAISO Policy Initiatives Roadmap indicates **this working group** as the venue to discuss various catalog items

Demand and Distributed Energy Market Integration		2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Phase I	Scoping working groups			Policy Development	Decision		Implementation	
	Phase II				Scoping working groups				Policy development



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Reference Material Review

CAISO has public learning and reference materials related to current demand and distributed energy market participation rules

- Existing
 - [Demand response market participation comparison](#)
 - caiso.com [computer based training: demand response](#)
- Forthcoming
 - Demand participation Q&A document
 - Reference deck on demand participation models for WEIM entities
 - Base upon stakeholder needs, a demand and distributed energy market integration “Evergreen training”



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Working Group Scoping

Demand and Distributed Energy Market Integration

Working group principles

The following principles reflect standard principles of market design, and should be kept in mind when moving through the working group process (**note**: Not every topic will align with all principles listed; the principles are a resource to facilitate assessment of prioritization and potential trade-offs associated with problem statements):

1. Efficiency

- Market co-optimization processes utilization of demand and distributed energy resources produces least cost market results while meeting reliability needs

2. Competition

- Market rules expand competition to the benefit of consumers and allow flexible demand and smaller scale resources to participate in a similar manner as conventional, large-scale generators

Proposed Working Group Principles (cont'd)

3. Feasibility

- Operationally feasible; the market can solve within prescribed timelines
- Feasible implementation

4. Simplicity

- Market design elements are not overly complicated

5. Reliability/Compliance

- Reliability and compliance standards are reflected in market design

6. Jurisdictional roles and responsibilities

- Market design should facilitate state public policies, to the extent practicable

Working Group Principles - proposed

CAISO is seeking feedback from stakeholders on these principles and consideration of others to guide us in our WG discussions.

Potential working group topics for scoping include 2024 Policy Catalog items

2024 Catalog Submission Title	Submitted by
Real-time load bidding	California Department of Water Resources
RDRR minimum on time and fixed cost dispatch	California Large Energy Consumers Association
Modified PDR – hybrid PDR with BTM storage	Joint Demand Response Parties
Revision of DR control group settlement methodology	Pacific Gas & Electric
PDR program enhancements	PacifiCorp, Portland General Electric, NV Energy
Evaluating and addressing market rule inconsistency among 5/15/60 min bid options for DR resources	Southern California Edison
Remove RDRR discrete dispatch limit of 100 MW	Southern California Edison
Hydrogen electrolyzer market participation	Northern California Power Agency
DERs for external BAAs	Sacramento Municipal Utility District

New Demand and Distributed Energy Resource topics for discussion

Keeping the core principles in mind, what Issues should be discussed in this Working Group?

- **Note:** Issues being addressed in current initiatives/working groups will **not** be considered Discretionary market design initiative candidates for the 2025 Catalog
- This is the correct forum to discuss new potential policy changes related to Demand and Distributed Energy Resources



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Stakeholder Discussion and Q&A

Next steps

1. **Scoping and priorities**
 2. **Stakeholder presentations** - if you are interested in presenting on a problem statement, please send an email with to ISOSTakeholderAffairs@caiso.com. In the email, please include:
 - Subject line: “Request to Present – Demand and Distributed Energy Market Integration Working Group”
 - Problem statement
 - Desired presentation date/time
- **Future meetings** – see next slide
 - **Next meeting:** finalize principles based on feedback and discuss problem statements

Next steps

- Next working group meetings (tentative – all afternoon timeslots)
 - WG session 1: Mar 04, 2025
 - WG session 2: Mar 19, 2025
 - WG session 3: Apr 07, 2025
 - WG session 4: Apr 29, 2025
- Please submit written comments regarding today's meeting by end of day February 21 using the template provided in the initiative webpage at the ISO's commenting.

For reference

- All meeting material and notices are available on the Demand and Distributed Energy Market Integration working group webpage:
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Demand-Distributed-Energy-Market-Integration>
- If you have any questions, please contact Brenda Marquez bmarquez@caiso.com ,
or ISOStakeholderAffairs@caiso.com

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