

Email sent by Barbara George of Women's Energy Matters (WEM) to Commissioner Michel Florio and his Advisor Matthew Tisdale on Friday, 4-27-12, at 5:37 pm.

Dear Commissioner Florio,  
I'm sending information on the ISO-New England Forward Capacity Market for demand resources – which includes Energy Efficiency (EE), Demand Response (DR), and Solar DG. (See the email to me below from Eric Johnson for links to these and other documents on the ISO-NE website.)

For your convenience, I've attached two ISO-NE documents: the latest "Manual for Measurement and Verification of Demand Reduction Value from Demand Resources," and slides extracted from Eric Johnson's power point showing the results of the ISO-NE's Forward Capacity Auction in 2009. WEM filed one or both of these documents in the recent LTPPs – R1005006 and R0802007 as well as all the EE proceedings, beginning in 2008.

In an interesting new development, late last week FERC issued draft rules for demand resources (including EE) based in part on the ISO-NE protocols. I'm sending FERC's press release, with their proposed rulemaking.

While the CPUC procurement issues are not exactly the same as FERC and the ISOs, the ISO-NE protocols demonstrate what we need to add to our Evaluation, Measurement & Verification (EM&V) to make Energy efficiency projects grid-reliable. First of all – where is it?

I believe it is vital to address what's on the distribution system BEFORE considering Local Capacity Requirements, because CAISO admitted in response to WEM's data request in R1005006 that it has "no visibility" of demand resources and rooftop solar, and acknowledged that this may lead to forecast errors. (Note – CAISO also fails to consider already-existing distribution system resources when calculating the LCA.) To rectify this situation CPUC would need to order IOUs to report the location of the resources on the distribution system, as we recommended in our comments on the OIR.

The failure to address demand resources and local solar has contributed to over-procurement. According to the Planning Assumptions in R1005006, California currently has substantial excess capacity – 150% of demand, which grows to 156% in 2010. The distribution resources make that surplus even higher.

I hope you will ensure that the schedule in this proceeding will accommodate the demand issues prior to determining Local Capacity Requirements. (An LCR workshop was scheduled for next week May 3rd, although CAISO now states that it will not address LCR at that workshop – ?) Optimally, I hope the demand issues are addressed on an urgent basis so they could be considered as replacement resources for the San Onofre outage. The January decision on procurement, D1201033, clarified that the loading order is "ongoing" – which means that California will continue to be out of compliance with the loading order until these demand issues are resolved.

I would appreciate an opportunity to discuss these further with you and Matthew.

Thanks,

Barbara

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----- Original Message -----

Subject: ISO: EE in FCM

Date: Mon, 2 Aug 2010 13:34:41 -0400

From: Johnson, Eric <ejohnson@iso-ne.com>

To: <bgwem@igc.org>

Hello Barbara,

The following is some of the information you requested about energy efficiency in New England's Forward Capacity Market (FCM). I'll follow up as additional information becomes available.

The amount of EE in the most recent auction is posted here:

[http://www.iso-ne.com/committees/comm\\_wkgrps/mrkts\\_comm/dr\\_wkgrp/mtrls/2009/dec22009/index.html](http://www.iso-ne.com/committees/comm_wkgrps/mrkts_comm/dr_wkgrp/mtrls/2009/dec22009/index.html)

These are the filings to FERC on the auction results:

Result for the third Forward Capacity Auction (FCA3): [http://www.iso-ne.com/regulatory/ferc/filings/2009/oct/er10-\\_\\_\\_\\_-000\\_10-29-09\\_fca\\_3\\_results\\_filing.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2009/oct/er10-____-000_10-29-09_fca_3_results_filing.pdf)

Result for the second Forward Capacity Auction (FCA2): [http://www.iso-ne.com/regulatory/ferc/filings/2008/dec/er09-467-000\\_12-23-08\\_fca\\_results.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2008/dec/er09-467-000_12-23-08_fca_results.pdf)

Results for first FCA: [http://www.iso-ne.com/regulatory/ferc/filings/2008/mar/er08-633-000\\_03-03-08\\_fca\\_results\\_filing.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2008/mar/er08-633-000_03-03-08_fca_results_filing.pdf)

We are actually running the fourth auction today and results should be available later this month.

The manual for measurement and verification of demand reductions from demand resources is posted on the ISO Web site: [http://www.iso-ne.com/rules\\_proceeds/isone\\_mnls/](http://www.iso-ne.com/rules_proceeds/isone_mnls/)

See file labeled, M-MVDR.

Contact info for Maine Efficiency Trust:  
<http://www.energymainetrust.org/>

Thank you.

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