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Sent: 8/13/2013 10:30:54 AM
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Bcc:
Subject: RE: Demand Response Rule 24

Dan, Brian and Les

It has been brought to my attention by both Energy Division and Commissioner Peevey's office that there is real concern that each of your organizations are not moving quickly enough to implement (at least in part) Rule 24. Of particular concern is the fact that the delays seem to be primarily driven by very conservative estimates of how long software upgrades will take to roll out. As you are all aware, it is a major priority of this administration to deploy demand response as a resource to meet California's reliability needs now and in the future. The implementation of Rule 24 is a critical step in that direction. The Commission has deployed considerable resources to expedite consideration and ratification of Rule 24, and has now committed to full implementation by March, 2014. That would seem to create a very good opportunity for direct participation of DR in CAISO markets by next summer. In my discussions with the CAISO and the Commission, there seems to be consensus that a reasonable goal would be for each of your companies to, at the very least, be able to bid a subset of your existing DR portfolios into the CAISO market by summer 2014. I would very much appreciate it if you would help me to determine the viability of this goal, and what the pathway to achieving this goal might be for each of you. With that in mind, perhaps it makes sense to organize a series of meetings to discuss both a plan to achieve the goal and specific barriers.

Thank you for your help.

Nick

Nicolas Chaset

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