

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the
Role of Demand Response in Meeting the
State's Resource Planning Needs and
Operational Requirements.

Rulemaking 13-09-011

NOTICE OF EX PARTE COMMUNICATION

Barbara Barkovich
Barkovich & Yap, Inc.
PO Box 11031
Oakland, CA 94611
707.937.6203
barbara@barkovichandyap.com

Nora Sheriff
Alcantar & Kahl LLP
33 New Montgomery Street
Suite 1850
San Francisco, CA 94105
415.421.4143 office
415.989.1263 fax
nes@a-klaw.com

Consultant to the California Large
Energy Consumers Association

Counsel to the California Large
Energy Consumers Association

October 10, 2013

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

Rulemaking 13-09-011

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, the California Large Energy Consumers Association¹ (CLECA), hereby gives notice of the following ex parte communications.

On October 7, 2013, Barbara Barkovich and Nora Sheriff, consultant and counsel to CLECA, met with Julie Fitch and Melicia Charles, advisors to Commissioner Peterman, from approximately 1:10 to 1:30 pm at the Commission's office in San Francisco. On October 9, 2013 they met with Rachel Peterson, advisor to Commissioner Florio, from approximately 2:30 to 3:00 pm; Ms. Sheriff met in person with Ms. Peterson, and Dr. Barkovich participated by phone. Both meetings were initiated by CLECA. No handouts were provided at the meetings.

Dr. Barkovich and Ms. Sheriff raised concerns with the new rulemaking's apparent focus on moving demand response into the CAISO market and relative

¹ The California Large Energy Consumers Association is an organization of large, high load factor industrial electric customers of Southern California Edison Company and Pacific Gas and Electric Company. CLECA member companies are in the cement, steel, industrial gas, beverage, pipeline and mineral industries. CLECA has been an active participant in Commission regulatory proceedings and Commission Demand Response Programs since 1987.

lack of consideration for the needs of customers providing demand response. Dr. Barkovich also noted that current CAISO market prices appear insufficient to support or enable demand response and raised the concern that the wholesale market design creates significant constraints for the participation of load. Both Dr. Barkovich and Ms. Sheriff urged recognition of the operational differences between customer-provided demand response and generation. They stated that expectations regarding potential benefits from integration into wholesale markets must be tempered by existing market realities and consideration of the needs of customers who are actually providing the demand response resource.

Further, since the grid “needs” associated with renewable integration and local reliability and related operational characteristics are still being determined, it is not yet clear how demand response can help meet those needs. Moreover, Ms. Sheriff noted that according to the CAISO’s website, there have been 25 transmission emergencies since 2004, most recently two in 2011. Transmission outages will probably occur again in the future, and the Base Interruptible Program (BIP) has a long track record of helping to mitigate transmission and distribution outages. Existing demand response retail programs should be valued for these and other reasons.

Dr. Barkovich and Ms. Sheriff cautioned against the Commission ceding of jurisdiction over demand response; the Commission should guard its jurisdiction over its retail demand response programs, including BIP.

Dr. Barkovich and Ms. Sheriff expressed their appreciation for the consideration of longer program cycles, which could provide the customers the certainty they need to continue participating in Demand Response.

Respectfully submitted,

A handwritten signature in black ink that reads "Nora Sheriff". The signature is written in a cursive style with a large initial 'N' and 'S'.

Counsel to the California Large Energy
Consumers Association

October 10, 2013