



# DR OIR Phase 2 Foundational Questions on Bifurcation

DR Collaborative Meeting with CPUC  
January 24, 2014



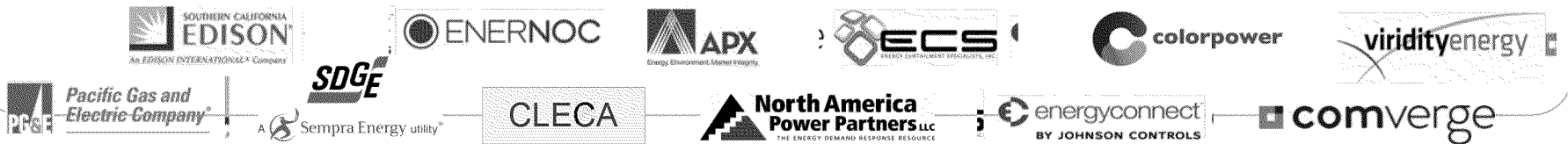
# Stakeholder Consensus on “Bifurcation”

- Demand response is an integral part of California’s sustainable energy future
- Changes must preserve customer options and program value

✔ Do's	✘ Don'ts
Retain existing valuable programs	“Bifurcate” before identifying the real problem or purpose
Recognize demand-side or supply-side DR value (RA, LTPP, TPP, etc.)	Assume all DR resources belong in the wholesale market as supply side
Allow a range of DR options and let customers select the best approach	Rush to incorporate DR into the wholesale market as supply without addressing barriers
Benchmark to other ISO's/RTO's	Start with most complex DR products for supply-side
Define resource needs, DR products and attributes	Don't rush into integration without learning from the pilots

## NEXT STEPS

- Define resource needs, DR products and attributes
  - New products (e.g. for renewable's integration)
  - Evolve existing products
- Reduce costs and complexity of DR (demand and supply side) integrating with CAISO

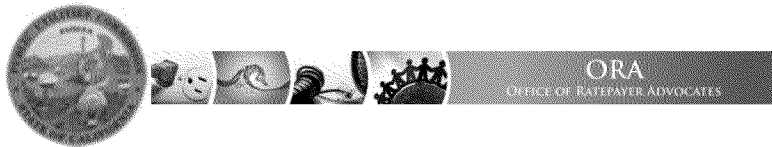


# DR Collaborative Consensus Echoed in Comments of Other Parties

## DR Collaborative



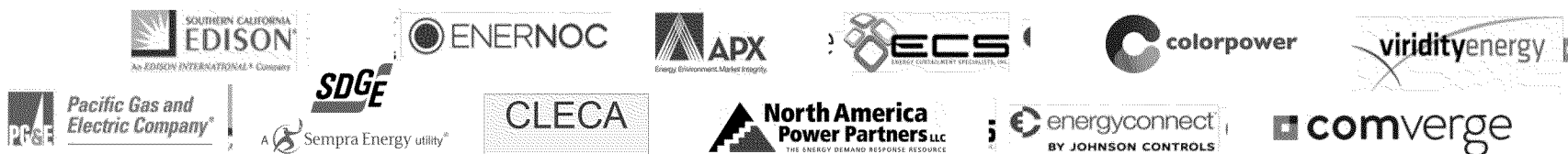
## Other Parties' Comments Support Consensus Expressed by DR Collaborative



# Appendix

*Note:*

*The following slide is only for reference and shows what the DR Collaborative presented to the CEC and CPUC last year and that those points are consistent with the current consensus.*



# DR Collaborative Roadmap Update

(Longer-term steps)



1. Continue to follow the near-term DR Roadmap.  
Progress has been made so it is important to keep the momentum going.
2. Retail DR programs should continue to be supported, in addition to wholesale DR.  
Cost effective wholesale DR should be supported but mandating that all retail participate in the wholesale market would not be practical and could eliminate useful DR resources.
3. In order to provide a stable platform for DR resource growth, it is important to allow customers to gain experience with the wholesale market by starting with a simple product and then offering more “complex” options. This is how other markets have developed DR resources over time.
4. Resolve implementation issues associated with DR participation in the wholesale market.  
Wholesale DR will not spontaneously appear until Rule 24; metering, telemetry and data requirements; and a capacity payment mechanism for DR are implemented.
5. Need State agency coordination to ensure that DR, EE, and the impact of dynamic rates are incorporated into the CAISO’s load forecasts for planning & operational purposes.
6. It is important to evaluate strategies for DR, EE, dynamic rates and DG to address the intermittent renewables problem.  
All of these resources can contribute to meeting or reducing flexible ramping requirements.
7. Wholesale DR requirements should be generally aligned with industry norms (i.e., other ISOs).  
Current CAISO DR requirements are generally more restrictive than other ISO/RTOs.

