## 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

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Consultant to the California Large Energy Consumers Association Counsel to the California Large Energy Consumers Association

January 10, 2014

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Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, the California Large Energy Consumers Association<sup>1</sup> (CLECA), hereby gives notice of the following ex parte communications.

On January 7, 2014, Barbara Barkovich and Nora Sheriff, consultant and counsel to CLECA, spoke on the telephone with Rachel Peterson, advisor to Commissioner Florio, regarding demand response from approximately 3:15 to 3:30. They also spoke in person with Audrey Lee, advisor to President Peevey, regarding demand response from approximately 4:00 to 4:30. Both meetings were initiated by CLECA and the meeting with Dr. Lee was held at the Commission's office. No handouts were provided.

With both advisors, Dr. Barkovich and Ms. Sheriff discussed CLECA's support for the proposed decision authorizing two years of bridge funding for demand response programs. Dr. Barkovich and Ms. Sheriff agreed with the PD

<sup>&</sup>lt;sup>1</sup> 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.

that only ministerial, narrow changes could be considered for 2015. They said that substantive changes that affect participating customers, such as changing event triggers, would require testimony and hearings to inform the Commission and stakeholders of the impacts of such substantive changes. Ms. Sheriff reviewed a proposed timeline that could provide for substantive changes in the 2016 bridge funding year, referring to CLECA's comments on the PD.

With Dr. Lee, Dr. Barkovich commented on CLECA's proposed focus on categorizing demand response by the types of service it could provide as well as considerations that should guide the determination on integration with wholesale markets; Ms. Sheriff raised concern regarding premature, forced integration into the California Independent System Operator's markets. Both Dr. Barkovich and Ms. Sheriff noted that CAISO flexibility requirements are still undetermined and that the costs of integration should be considered. Dr. Barkovich and Ms. Sheriff addressed questions of cost allocation. Dr. Barkovich and Ms. Sheriff also discussed the regulation of backup generation by federal, state and local air quality agencies, reiterating that the Commission should address the use of backup generation in the Resource Adequacy docket.

Respectfully submitted,

Hora Sheriff

Counsel to the California Large Energy Consumers Association

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