

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
(Filed September 19, 2013)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) hereby gives notice of the following *ex parte* communication.

On January 24, 2014, at approximately 2:45 p.m., Marcel Hawiger, staff attorney with TURN, initiated a telephone call with Audrey Lee, advisor to Commission President Michael Peevey. The phone call lasted approximately 45 minutes. Mr. Hawiger first addressed the scope of review of demand response programs for 2015-2016. Mr. Hawiger noted that the IOU applications for both the 2009-2011 and 2012-2014 programs and budget authorizations were resolved, from the initial PHC to the final decision, in ten and eleven months. Mr. Hawiger stated that if the Commission issues guidelines relatively soon, there is plenty of time to address potential program modifications for bridge year funding for 2015-2016.

Mr. Hawiger then discussed TURN's position on the issue of bifurcation. Mr. Hawiger emphasized that when demand response is counted for resource adequacy in the planning process it provides tangible ratepayer benefits by reducing utility contracting for new fossil power plants. This benefit occurs even if demand response is not operationally dispatched as frequently as allowed under tariffs or contracts. Mr. Hawiger stated that even if demand response programs are dispatched less than allowed under tariff conditions, the environmental impacts of peaker plant dispatch for a limited number of hours are relatively small. Mr. Hawiger stated that TURN certainly supports long-term changes to program design to maximize the use of demand response as a flexible resource, but TURN agrees that forcing demand response to participate in wholesale markets may not be the best solution. TURN is concerned about unnecessary expenditures by the CAISO, but the data indicate that CAISO procurement of backstop capacity (exceptional dispatch) costs have been relatively small.

To obtain a copy of this notice, please contact Jessica German at (415) 929-8876 ex. 300.

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THE UTILITY REFORM NETWORK

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