

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 31, 2014, at approximately 12:00 p.m., Marcel Hawiger, staff attorney with TURN, met with Rachel Peterson, advisor to Commissioner Mike Florio, at the Café of the Asian Art Museum. The conversation regarding R.13-09-011 lasted approximately 10 minutes.

Mr. Hawiger first addressed the scope of review of demand response programs for 2015-2016. Mr. Hawiger stated that if the Commission issues

guidelines for program modifications relatively soon, there is sufficient time to address all necessary program modifications 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 TURN supports long-term changes to program design to maximize the use of demand response as a flexible resource, but TURN is concerned that forcing demand response to participate in wholesale markets may not be the best solution and may exacerbate jurisdictional problems related to a centralized capacity market. TURN is concerned about unnecessary expenditures by the CAISO, but the data indicate that CAISO backstop capacity procurement costs have been relatively small.

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

February 5, 2014

THE UTILITY REFORM NETWORK

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