DROIR Phase II Foundational Questions on Bifurcation



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We do not yet know howmuch of existing DR assets can and should be bid into the OAISOmarkets

- We have been discussing with the CPUC some of the very real dostacles that stand in the way of market bidding
- benefits/consequences We have yet to discuss potent ial of bidding DR into CAISO markets (e.g.,dispatch sequence/frequency, price formation)
- PD advnowledges this and suggests further discussion during Prase 3

OP4 in the PD categorically identifies most DR programs as supply-side resources that can be scheduled and dispatched by the OAISDnarkets

- This determination appears to be in conflict with statement above and is not yet supported in the record
- At the very least, we should first seek changes from the CASO if they want DR resources to be bid as supp

As such, we recommend that OP4 be replaced with language that reflects the following:

An evidentiary record should be developed on the following issues to inform a ruling on which existing DR ۲ should be bid into the CAISD markets assets The incremental benefits and potential of bidding DR assets the CAISO markets consequences into existing The feasibility and cost of bidding DR assets into the CASO markets to DR programs and CAISO marketules/systems that c ould improve the Cranges feesibility and cost-effectiveness of bidding DR assets into the CAS How to ensure that all DR resources, both load-modifying and supply-side, are appropriately valued in planning and operations





• Focus on reducing the cost and complexity of integrating DR (both load modifying and supply resources) into CAISO many set Appendix for more specific suggestions)

Continue and expand "transitional" opportunities for parties to gain experience as supply resources and to help identify ways to reduce cost and complexity

Seek ideas from all parties on how to reduce the cost and complexity

Follow up with workshops and/or hearings to advance these ideas









Improved integration of demand-side DR:

- Update the current procedure used by KOUs for reporting DR to CAISO
- Integrate some simple, low-cost telemetry or other methods to provide visibility to the CAISD
- Enhancemethods for incorporating demand-side DR into the ISO processes, such as forecasting, RA credits, Day-Ahead Market, RJC process, HASP, RT PD and RTM, etc.

Improved integration of supply-side DR:

- Simplify processes for supply-side DR currently in place for conventional resources in market, such as registration, telemetry, Master File, etc.
- Simplify bidding rules for supply-side DR currently in place for conventional resources market
- Promote enabling technologies for curtaiment for supply-side DR
- Have PDR call "all or nothing"
- Oreate DLAP-Level PDR



** In TURN's opening comments to the November 14, 2013 Scoping Memo



2/6/14 BIP Event



	∘RG&E's	loæd	reduction	VS.	forecast:
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	Har 1	Hour 2	Hour 3	Hour 4
Reduction + Est. Reduction	16	7 18	3 18	7 18 8
Forecast*	174	170	166	164

*from weekly BIP forecast sent to RE Electric Transmission Grid Ops on January 3

- SCEdropped 575MW/hourduring this event (more LCI austomers)
- Accurate forecast (updated data will follow)
- High Customer performance