



DR OIR Phase II  
Foundational Questions  
on Bifurcation

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Meeting with Julie Fitch,  
Advisor to Commissioner Peteman

March 18, 2014



# PG&E Key Points on DROIR PD

We do not yet know how much of existing DR assets can and should be bid into the CAISO markets

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

OP 4 in the PD categorically identifies most DR programs as supply-side resources that can be scheduled and dispatched by the CAISO markets

- 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 CAISO if they want DR resources to be bid as supply

As such, we recommend that OP 4 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 assets should be bid into the CAISO markets

The incremental benefits and potential consequences of bidding DR assets into the CAISO markets

The feasibility and cost of bidding existing DR assets into the CAISO markets

Changes to DR programs and CAISO markets/systems that could improve the feasibility and cost-effectiveness of bidding DR assets into the CAISO markets

How to ensure that all DR resources, both load-modifying and supply-side, are appropriately valued in planning and operations





# Recommended Approaches to Solutions

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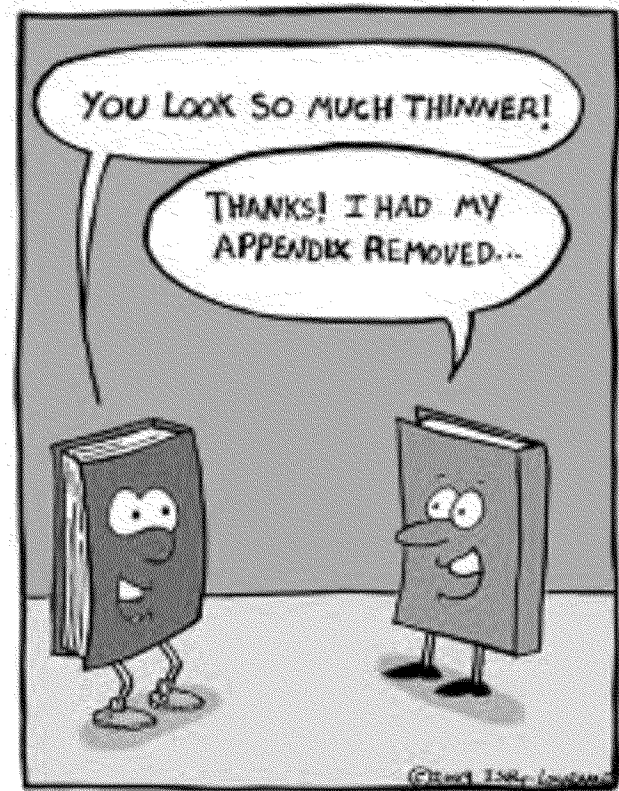
- Focus on reducing the cost and complexity of integrating DR (both load modifying and supply resources) into CAISO market Appendix for more specific suggestions)

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







# Some Potential DR Program Improvements

## Improved integration of demand-side DR:

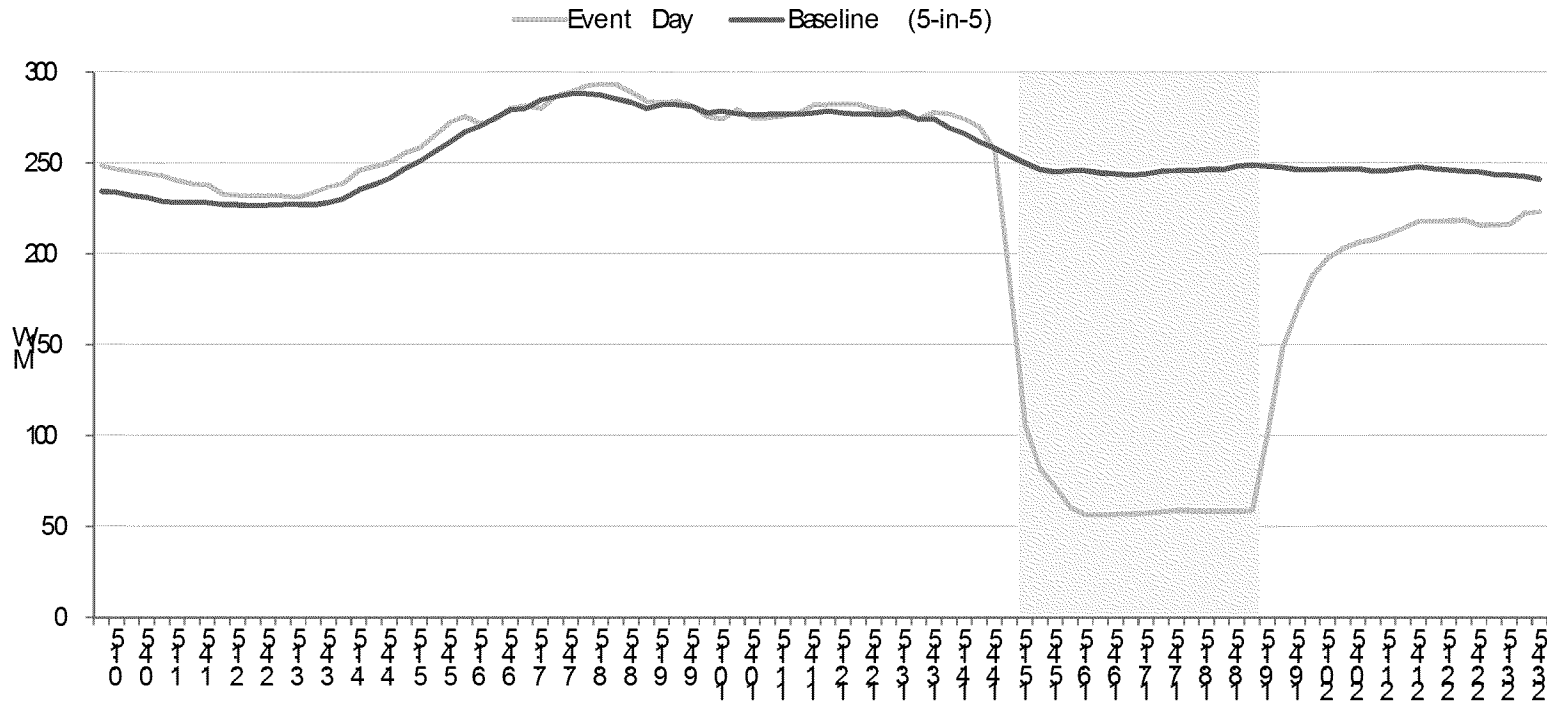
- Update the current procedure used by IOUs for reporting DR to CAISO
- Integrate some simple, low-cost telemetry or other methods to provide visibility to the CAISO
- Enhance methods for incorporating demand-side DR into the ISO processes, such as forecasting, RA credits, Day-Ahead Market, RUC process, HASP, RTPD 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 curtailment for supply-side DR
- Have PDR call “all or nothing”
- Create DLAP-Level PDR



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



• PG&E's load reduction vs. forecast:

	Hur 1	Hur 2	Hur 3	Hur 4
Reduction + Est. Reduction	167	188	187	180
Forecast*	174	170	166	164

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

- SCE dropped 575MW/hour during this event (more LCI customers)
- Accurate forecast (updated data will follow)
- High Customer performance