

R.13-09-011

Commissioner Peevey & ALJ Hymes

June 12, 2014

CLECA Cross Exhibit CLE-03

Witness: John Goodin, ISO

Description: March 25, 2014 email and attached presentation from Heather Sanders, CAISO on "Recent Demand Response Success Story"

Amie Burkholder

From: Nora Sheriff
Sent: Wednesday, June 11, 2014 10:56 AM
To: Amie Burkholder
Subject: Fwd: Recent Demand Response Success Story
Attachments: February 6 Demand response timeline final.ppt; image001.jpg

Pls print email and attached power point per yahoo email on cross

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> From: Sanders, Heather [<mailto:HSANDERS@caiso.com>]

> Sent: Tuesday, March 25, 2014 1:11 PM

> To: Sanders, Heather

> Subject: Recent Demand Response Success Story

>

> I wanted to share with you a recent demand response success story. On February 6 it was very cold across the U.S., including much of the Northwestern and Canada, creating high electricity demand and straining natural gas supplies. Electricity normally available for import to California instead flowed to the Northwest to serve this increased demand. Then several southern California gas-fired power plants were curtailed because of natural gas shortages. And on top of that, expected energy from Diablo Canyon unit 2 was not available after being delayed in returning from an outage.

>

> ISO system operators followed their established operating procedures that included issuing a system-wide notice restricting planned maintenance activities, a grid warning that the system was under stress, and a Flex Alert calling for voluntary conservation, dispatching all available resources and then asking utilities to activate their demand response programs. All these measures contributed to maintaining electric and gas system reliability through this challenging time — with demand response providing over 800 MW over the peak. An unexpected, but welcomed addition is that winds picked up resulting in wind generation output increasing by almost 700 MW during peak.

>

> This event highlights the value of demand response and the significant contribution it will provide once fully integrated into the ISO market. This integration will provide much quicker access to available demand response and the ISO's market optimization will dispatch the amounts needed based on system conditions. Most importantly, market prices will reflect the real need for increasing supply or reducing demand.

>

> Attached is a brief slide set that offers more information about the Feb. 6 event. I hope you find it helpful — please feel free to contact me with any questions.

>

>

> Heather Sanders

> California ISO

> Director, Regulatory Affairs, Distributed Energy Resources

>

> O: (916) 608-5850 | Assistant: Brittany Goytia (916) 351-2414

> 250 Outcropping Way, Folsom, CA 95630

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California ISO
Shaping a Renewed Future

ISO operations and Demand Response

February 6, 2014

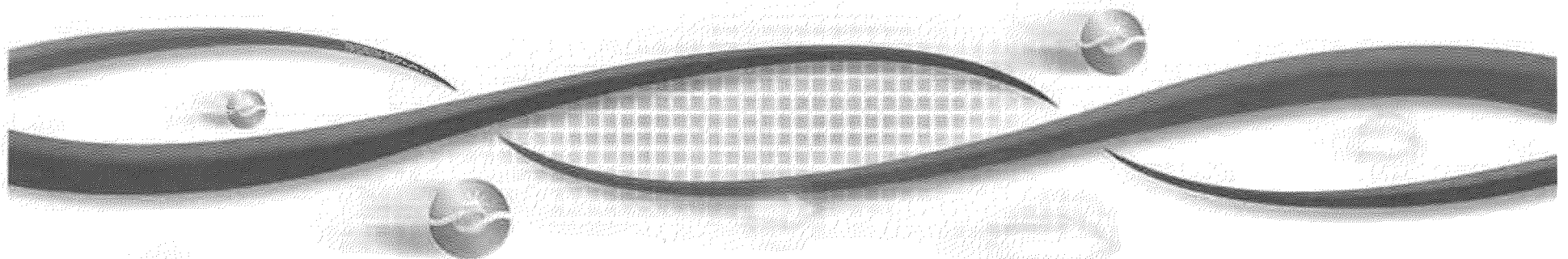
Contact:

Heather Sanders

Director Regulatory Affairs, Distributed Energy Resources

(916) 608-5850

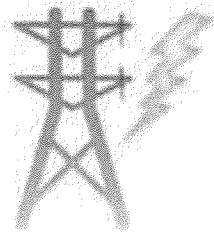
hsanders@caiso.com



Extreme cold weather and other conditions on February 6th impacted California grid operations.

- Electricity normally available for import to California flowed to the Northwest to serve the increased demand.
- Significant electric supply from gas-fired power plants in Southern CA was curtailed due to gas shortages.
- Expected supply was not available due to a delay in a large generator returning from a planned outage.

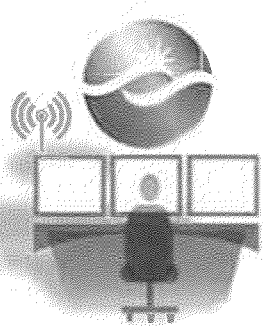
The ISO currently calls for demand response manually



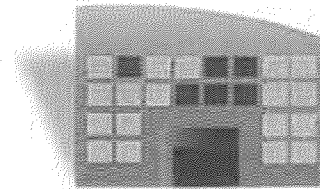
Grid conditions warrant action
Procedure 4420



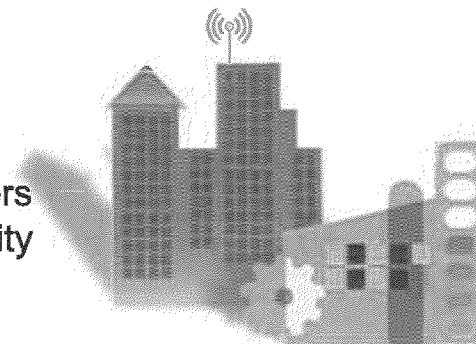
After grid
warning issued,
(4420, step 12)



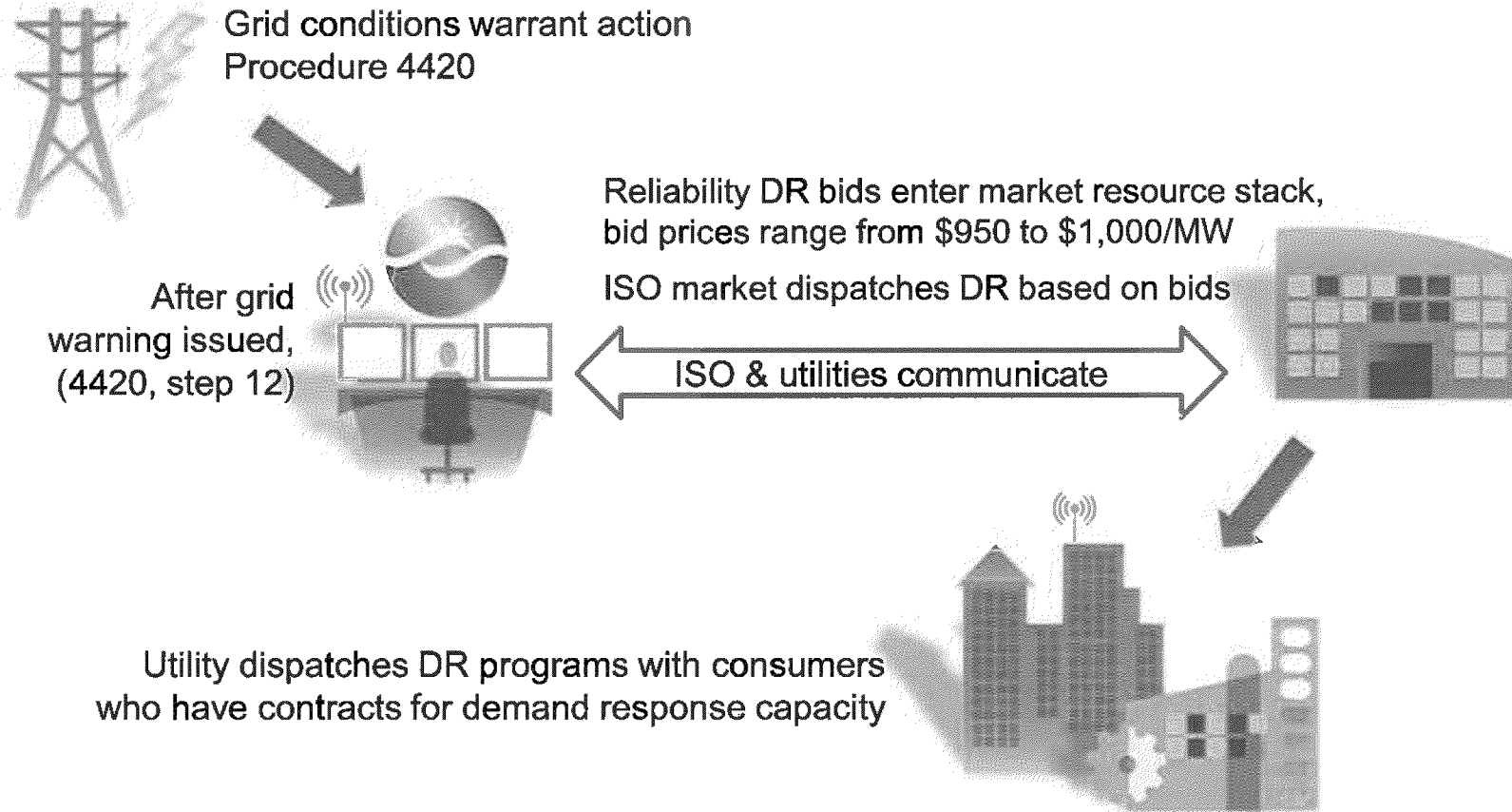
*ISO manually calls for DR;
utility informs of available DR*



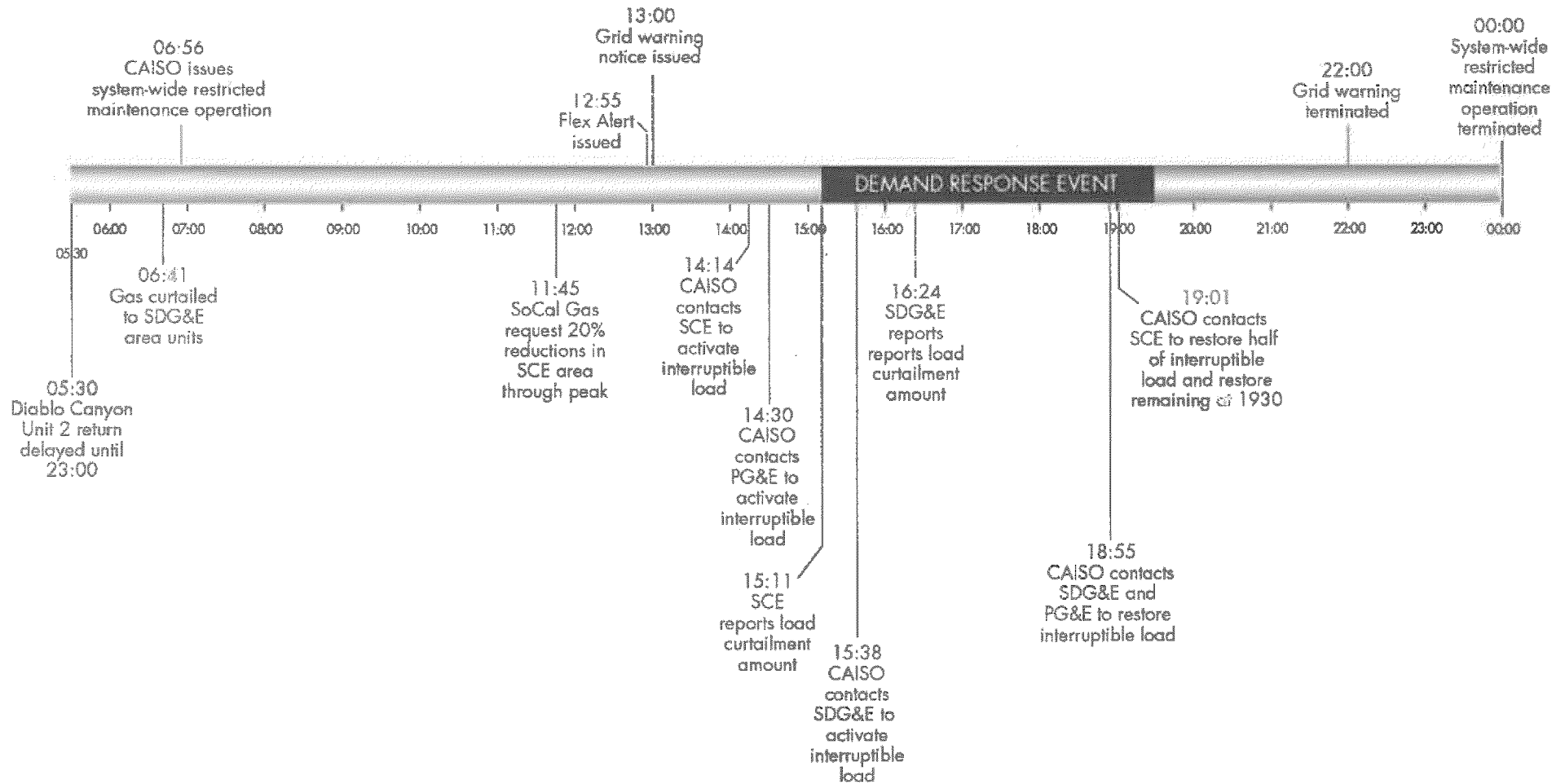
Utility dispatches DR programs with consumers
who have contracts for demand response capacity



In the future, the market will dispatch DR when and where needed.

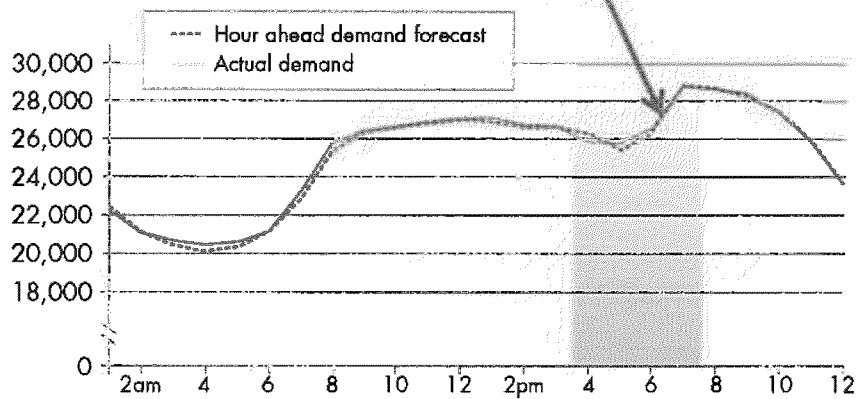


The ISO requested demand response consistent with operating procedure 4420.



Demand response delivered load reduction when needed.

Combined demand response provided approximately 800 MW through peak



In addition, wind generation output increased by approximately 700 MW during peak

