



1111 Broadway, Suite 300 (WeWork)
Oakland, CA 94607
Tel: 925-286-1710
Email: gwikler@cedmc.org

California Efficiency + Demand Management Council Informal Comments on Draft 2021 Resource Adequacy Templates and Guide

Introduction:

The California Efficiency + Demand Management Council (Council) respectfully submits these informal written comments on the draft 2021 Resource Adequacy (RA) reporting templates and guide.

Background:

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.¹ Our member companies employ many thousands of Californians throughout the state. They include demand response (DR) and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of energy efficiency (EE) products and equipment. The Council's mission is to support appropriate EE and DR policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

Informal Written Comments

A. The System RA template should be modified to include the T&D Line Loss Factor in final RA values and reflected in the Local & Flexible RA template.

In the System RA template, cell C16 in the "Summary Month Ahead" worksheet and cell C18 in "Summary Year Ahead" worksheet apply the 15% Planning Reserve Margin adder. However, there is no way to apply the T&D line loss factor (also known as the Distribution Loss Factor) as well such that LSEs will know up front that they are getting the full RA credit for their DR. It is the Council's understanding that the Energy Division typically applies the T&D line loss factor to DR capacity after a load-serving entity (LSE) submits its template but because LSEs cannot currently claim that added DR capacity from the T&D line loss factor in their System and Local RA templates, this creates uncertainty on the part of LSEs which could cause them to procure the extra capacity rather than risk waiting for the Energy Division to apply the T&D line loss factor after the System and Local RA reporting templates have been submitted.

¹ Additional information about the Council, including the organization's current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at <http://www.cedmc.org>. The views expressed by the Council are not necessarily those of its individual members.

To address this problem, the Council recommends that the Energy Division revise the System RA template to include the T&D line loss factor. The T&D line loss factor is IOU-specific and is provided in Section 14 of the RA Guide, so the LSE would need to select the appropriate factor based on the IOU service area in which the resource is located. Due to the number of Local Areas, the Council proposes a new section on the III_Demand_Response sheet that sums the Resource Category DR by Local Area. This summation applies both the PRM for that Local Area and the T&D line loss factor (fixed by IOU service territory). The Council has revised the formulas contained in cell C16 in the “Summary Month Ahead” worksheet and cell C18 in “Summary Year Ahead” worksheet accordingly.

Similarly, the appropriate T&D line loss factor should be reflected in the Local and Flexible RA template. In the “LSE Allocations” worksheet, Table 2 provides the allocated DR RA capacity for 2021-2023. These quantities should be trued up to reflect the full Local RA value of allocated and unallocated DR resources. There are no formulas embedded in Table 2 so the Council simply recommends that the full Local RA value of DR be reflected here.

B. The Demand Response worksheet of the System RA template should be revised to clarify how to enter DR capacity procured from third-party providers.

The “III_Demand_Response” worksheet of the System RA template is primarily designed for IOU DR programs. The Council recommends a minor revision to the worksheet to simplify reporting of third-party DR RA capacity. First, cell C3 specifies the “Program Name” but the names provided are Local Capacity Areas. During the July 30 workshop, in response to the Council’s question, the Energy Division recommended that the Resource ID(s) associated with third-party DR contracts be inserted under this field. If this continues to be the Energy Division’s recommendation, the Council recommends the field name in cell C3 be changed to “Allocated DR LCA/Third-Party Resource ID”. We also recommend that this change is reflected on the “Instructions” tab in cell A167. Specifically, the text could be amended to read “If the associated showing RA capacity is with a third-party, the LSE should list the specific Third-Party Resource ID”.

C. The Instructions worksheet of the System RA template should be updated to provide clarity for LSEs using third-party DR resources to show RA capacity.

In addition to the suggestion above, the Council submits one additional suggestion for the “Instructions” tab. The Council suggests that the Program Operator should specify the name of the third-party DRP. For example, the text in cell A172 could read “The entity, either ‘IOU’ or the name of the third-party DRP, that will physically dispatch the program.”

Sincerely,



Greg Wikler
Executive Director
California Efficiency + Demand Management Council