

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System Operator) Docket No. ER20-2443-000
Tariff Amendment to Implement Demand)
Response Enhancements)

**COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND
MANAGEMENT COUNCIL IN SUPPORT OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR’S ENERGY STORAGE AND
DISTRIBUTED ENERGY RESOURCES PHASE 3B TARIFF AMENDMENT**

The California Efficiency + Demand Management Council (the Council) respectfully submits Comments in support of the California Independent System Operator’s (CAISO’s) Energy Storage and Distributed Energy Resources Phase 3B (ESDER 3B) Tariff Amendment (Tariff Amendment) submitted in Federal Energy Regulatory Commission (Commission) proceeding ER20-2443-000 on July 16, 2020. The Tariff Amendment seeks to implement two sets of demand response (DR) enhancements.

**I.
COMMENTS**

A. Introduction

The Council submits these comments in support of the CAISO’s Tariff Amendments to implement DR enhancements in ESDER 3B and recommends that the Commission find them just and reasonable.

B. Separating Electric Vehicle Supply Equipment (EVSE) Performance Will Improve System Reliability

The Council strongly supports the CAISO’s proposal to separate the demand response (DR) performance of electric vehicle supply equipment (EVSE) as a proxy

demand resource (PDR) from other on-site loads. The CAISO is correct in its assessment that electric vehicle adoption continues to grow in California. From a policy perspective, it is completely logical to take advantage of this trend and better incentivize the use of EVSE as a DR enabling technology, because doing so will help to increase the amount of available capacity in the State where the California Public Utilities Commission (CPUC) recently directed load-serving entities in the State to procure 3,300 MW of incremental capacity partly due to upcoming generator retirements. From an operational perspective, EVSE load can often be controlled with greater precision compared to other loads and can provide more flexibility to dispatch when grid needs are greatest. Furthermore, separating EVSE performance will ensure that the baseline of the associated PDR will reflect only the EVSE load curve and prevent other on-site load sources from diminishing its capacity.

C. A Proxy Demand Resource-Load Shift Resource (PDR-LSR) is Needed to Implement the Next Generation of DR Resources to Meet State Reliability Needs

The Council also strongly supports the CAISO's proposal to create a PDR-LSR product. As the CAISO explained in its filing, load-shifting DR can play a constructive role in addressing over-generation by reducing renewables curtailment while blunting the evening upward ramp. The proposed PDR-LSR would be limited to energy storage-backed DR resources but the Council believes that other types of load can also provide load shifting and encourages the CAISO to broaden this product to a technology-neutral model in the near future.

Commission approval of the PDR-LSR product is a critical step toward developing new retail DR products through the CPUC regulatory process. Lawrence

Berkeley National Laboratory has developed a CPUC-commissioned DR potential study which included a major recommendation that with the large amount of renewable generation in California, load-shifting DR will have a greater value compared to more traditional peak-shaving DR in integrating these resources.¹ The Council hopes that Commission approval of the CAISO's PDR-LSR proposal will create a market-based structure around which the CPUC can work with parties to design retail load-shifting DR tariffs and the associated capacity counting rules for them.

D. The CAISO's Request for an October 1, 2020 Effective Date Should Be Approved

The Council supports the CAISO's request for an October 1, 2020 effective date of its proposed tariff revisions. These changes are very important for the continued growth of DR in California and should not be delayed.

E. Conclusion

The Council appreciates the Commission's consideration and respectfully recommends prompt approval of the CAISO's ESDER 3B tariff amendments.

¹ <https://buildings.lbl.gov/publications/california-demand-response-potential>

**II.
CONCLUSION**

For the above reasons, the Council urges the Commission to adopt CAISO's proposed Tariff Amendment to implement DR enhancements in ESDER 3.

Respectfully submitted,

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Dated: August 5, 2020

CERTIFICATE OF FILING AND SERVICE

I, Megan M. Myers, am over the age of 18 years and 110 Oxford Street, San Francisco, California 94134.

On August 5, 2020, I filed and served the foregoing **COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL IN SUPPORT OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S ENERGY STORAGE AND DISTRIBUTED ENERGY RESOURCES PHASE 3B TARIFF AMENDMENT**, in Docket ER20-2443-000, in accordance with the e-filing rules and protocols of the Federal Energy Regulatory Commission.

Dated at San Francisco, California, this 5th day of August 2020.

/s/ MEGAN M. MYERS

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