



Submit comment on Revised Draft Final Proposal - Reliability Demand Response Resource Bidding Enhancements - Track 1

Initiative: Reliability demand response resource bidding enhancements

1. Please share your organization's overall position on the Track 1 revised draft final proposal:

The California Efficiency + Demand Management Council ("Council") fully supports the Track 1 draft final proposal with no caveats.

2. Please provide comments on the CAISO's Track 1 draft final proposal to align RDRR bidding rules with real-time price conditions consistent with FERC Order No. 831.

The Council fully supports the Track 1 revised draft final proposal with no caveats. The Council agrees with the CAISO's response to the Department of Market Monitoring's ("DMM") concerns that automatically increasing RDRR bids once the \$2,000/MWh hard cap goes into effect will not reflect the marginal costs of RDRRs. As the CAISO correctly noted, the settlement approved by the California Public Utilities Commission in Decision 10-06-034 specified that RDRRs (then referred to as the Reliability Demand Response Product) would have a high strike price relative to conventional generators. Also, maintaining the original RDRR bid following the hard cap going into effect would result in RDRRs being dispatch before higher-cost conventional generation which could suppress market prices when these resources are needed the most.

3. Please provide comments on the RDRR Bidding Enhancements Initiative bifurcation and timing.

The Council supports bifurcating this initiative as well as the CAISO's proposed Track 1 timeline. This element of the RDRR Enhancements initiative appears to be uncontroversial, so it is logical to decouple it from Track 2 which could potentially be more contentious. This will ensure that the necessary revisions to the CAISO tariff will be in effect in time for the summer.

4. Attachments

N/A