



Business Practice Manual Change Management Notice of Appeal and Opening Brief Template

Submitted by	Organization	Date Submitted
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Please use this template to provide your Notice of Appeal and Opening Brief on the ISO’s decision regarding your proposed revision request or comments on any proposed revision request.

Submit a Notice of Appeal within the applicable Proposed Revision Request

If providing an additional Brief, email to bpm_cm@caiso.com.

Your Notice of Appeal and Opening Brief are due within ten (10) Business Days of the ISO’s

Previous Comments on PRR

The California Efficiency + Demand Management Council (“Council”), Leapfrog Power, Inc. (“Leap”), OhmConnect, Inc. (“OhmConnect”), Olivine, Inc. (“Olivine”), and Voltus, Inc. (“Voltus”) (herein collectively referred to as the “DR Coalition”) have not submitted comments regarding Proposed Revision Request (PRR) 1444.

Reason for Appeal

The DR Coalition respectfully appeals the CAISO’s decision to adopt PRR 1444 in its current form and requests that the CAISO withdraw it or hold it in abeyance for

modification as discussed below. The DR Coalition submits this Appeal of PRR 1444 on the grounds that it:

- applies a more rigorous penalty for failure to deliver data that are used for monitoring purposes compared to settlement data; and
- unfairly penalizes demand response (DR) providers for failure to deliver data over which they have little-to-no control.

PRR 1444 Applies a Different Standard to Data Used for Monitoring Compared to Data Used for Market Settlement.

PRR 1444 inserts language into Appendix B of the Demand Response BPM specifying that, pursuant to Section 37.6.1 of the CAISO Tariff, all data used by the CAISO for monitoring purposes must be submitted no later than the deadline for submitting DR resource performance data (i.e., Settlement Quality Meter Data (SQMD), referred to in Appendix B as “GEN” data). Monitoring data are not used for market settlement and include 1) the underlying data used in the customer load baseline calculation (referred to as “CLB” data), and 2) the calculated customer load baseline values used to derive the GEN data (referred to as “BASE” data).

CAISO Tariff Section 37.6 establishes that all information and data required under the CAISO tariff must be delivered to the CAISO by the applicable specified deadline, and specifies the financial penalty for failure to do so. Under Section 37.6.1.2, the financial penalty is \$500 for each day the required information is late, with exceptions for missing information requested for investigations and audits. Under PRR 1444, missing or late CLB and BASE data will be subject to this penalty. In contrast, under Section 37.11.1, missing or late GEN data is subject to a \$1,000/Scheduling

Coordinator (SC)/day penalty. At a superficial level, the penalty structure may appear to be less rigorous for missing monitoring data but during stakeholder discussions on PRR 1444, the CAISO has indicated that this \$500/day penalty will be applied on a per-resource basis. This is highly problematic because investor-owned utilities (IOU) and DR providers tend to have large numbers of DR resources in their respective portfolios which would quickly compound any penalties. The DR Coalition provides an example of this disparity to illustrate this point:

If an IOU or DR provider has 50 DR resources and misses the deadline to submit GEN data by a day due to a system error, the penalty is \$1,000. If, however, it misses submission of BASE and CLB data by one day, the penalty amounts to $50 \text{ resources} \times \$500/\text{resource} \times 2 \text{ types of missing data} = \$50,000$.

The DR Coalition notes that PG&E echoes this sentiment in its comments on PRR 1444: “With over 60 resources in its portfolio, a late submission of CBL and/or BASE data would expose PG&E to an excessive penalty of over \$60,000 per trade day.” SCE says the same, and points out the contradiction between missing the settlement versus monitoring data: “In the event that SCE entities, about 65 resources, had a failure that resulted in missing our deadline for our SC metered entities, about 65 resources, SCE would pay a penalty of \$1,000. If SCE had a failure that resulted in missing both our CBL and BASE file submittal for a 45 DR resource fleet SCE would face a penalty of \$45,000.”

There is also a significant discrepancy in the absence of a cure period for corrected monitoring data following the T+52B timeframe. Section 10.3.6.4 of the CAISO Tariff allows for SQMD to be recalculated up to 214 Business Days after the

Trading Day, subject to a penalty for any submissions after T+52B; PRR 1444 only states that monitoring data must be submitted no later than the deadline for GEN data but does not explicitly apply the cure period under Section 10.3.6.4 to monitoring data as well. It may be that this is implied, but there is a great deal of ambiguity nonetheless.

PRR 1444 unfairly penalizes demand response (DR) providers for failure to deliver data over which they have little-to-no control.

DR providers' delivery of the data covered under PRR 1444 is wholly dependent on the ability of the local IOU to deliver on a timely basis the associated customer meter data to the DR provider. Though the IOUs generally deliver a majority of these data within the appropriate time frame to allow DR provider compliance with CAISO requirements, there are regular occurrences of late or incomplete data. In fact, this problem is so prevalent that the May 23, 2022 Demand Response Auction Mechanism Evaluation developed by Nexant (now Resource Innovations) and Gridwell Consulting recommended that IOUs be subject to financial penalties for failure to delivery Revenue Quality Meter Data to DR providers on a timely basis.¹ If PRR 1444 is adopted as it is currently written, these delays will put DR providers at risk of being sanctioned for events that are completely out of their own control. This is unfair, creates a great deal of uncertainty, and will very likely discourage CAISO market participation by DR providers.

The CAISO should withdraw PRR 1444 or, at minimum, hold it in abeyance until the DR Coalitions' concerns can be addressed.

The CAISO should allow for more time to consider the concerns expressed by the DR Coalition in this appeal, and by PG&E and SCE earlier in this process. If this

¹ *Demand Response Auction Mechanism Evaluation*, by Nexant and Gridwell Consulting, May 23, 2022, at p. 162.



can be done, the DR Coalition recommends the CAISO revise PRR 1444 to explicitly state that the application of penalties for late delivery of monitoring data under Appendix B of the Demand Response BPM be applied at the SC level, consistent with the application of penalties for late delivery of GEN data. In addition, PRR 1444 should explicitly apply the cure period under Section 10.3.6.4 to monitoring data, consistent with its application to SQMD.

Conclusion

The DR Coalition appreciates the CAISO's consideration of this appeal and stands ready to work collaboratively to achieve a positive outcome for all parties.