



DR, DERs + Resilience Committee

January 3, 2023



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Today's Agenda

• Issues/Topics

- Proposed decision extending the DRAM pilot
- Amended scoping memo in IOU DR programs proceeding
- Council/Leap comments on Supply Side DR working group final report
- Quick hits
- CAISO update



Proposed decision extending the DRAM pilot

- On 12/9, the CPUC distributed a [proposed decision](#) on a potential one-year DRAM extension
- Key elements
 - Extends the DRAM by ordering a 2023 auction for 2024 delivery
 - Budget remains the same as 2022 (\$14 million)
 - IOUs to issue RFO by March 1; IOUs to submit Tier 1 AIs by June 1
 - Adopts \$750,000 for Energy Division to continue funding DR potential and related research
 - Directs that for DRAM to be adopted permanently, it must be shown in Phase 2B to have been reliable and cost-effective during its pilot period
- Opening comments were submitted on 12/29
 - Council/CPower/Leap/Voltus filed joint [opening comments](#)
 - All parties except PAO and CLECA accept DRAM extension; CLECA did not comment and PAO repeated many of the same arguments they have made throughout this proceeding
- Next steps: Reply comments due on 1/5; expect final decision on 1/12

Amended scoping memo in IOU DR programs proceeding

- On 12/19, the CPUC issued an [amended scoping memo](#) setting the scope and schedule for Phase 2 of the IOU DR applications proceeding (A.22-05-002)
- Sets Phase 2A (2024-2027 DR programs) and 2B (Future of DRAM) scopes
 - Phase 2A scope was reduced due to expansive nature of proceeding and number of outstanding DRAM-related issues
 - Phase 2B scope focused on future of DRAM incl.:
 - Should the DRAM be ended?
 - If not, keep as a pilot or adopt permanently?
 - What changes should be made if DRAM is retained?
 - What DRAM-related bidding and performance information should be made publicly available?

Amended scoping memo in IOU DR programs proceeding (cont.)

- Phase 2A schedule
 - IOU cost-effectiveness supplemental testimony: February 3
 - IOU supplemental testimony: March 3
 - Intervenor testimony: April 7
 - Concurrent rebuttal testimony: April 28
 - Evidentiary hearings (if necessary): May 17-18
 - Proposed decision: October 2023
- Phase 2B schedule
 - Opening testimony: May 31
 - Reply testimony: July 14
 - Evidentiary hearings (if necessary): End of August
 - Proposed decision: January 2024
- Next steps: Expect a ruling w/ questions seeking party testimony and comment; also, ED will issue program proposals for party consideration

Council/Leap comments on Supply Side DR working group draft report

- On 12/20, the Council & Leap filed [joint comments](#) on the CEC's [Qualifying Capacity of Supply-Side Demand Response Working Group Draft Report](#)
- Made a few general recommendations and clarifications but focused on addressing the 17 recommendations in the Draft Report
- Key points included:
 - Generally support the Draft Report's approach for DR QC valuation but we have a few serious concerns
 - Support a penalty mechanism in concept but CEC proposal is far too aggressive; support phase-in
 - Support ex post normalization on condition it does not require outside consultants
 - It is premature to account for takeback
 - Support annual timeline and streamlined QC approval criteria
 - Strongly oppose Bid-Normalized Load Impact proposal
 - Support reducing threshold to qualify for a mid-year update
 - Oppose eliminating the operating reserves and load forecast error of PRM Adder
- Next steps: Final Report to be voted out by the CEC on 1/25, then submitted into the CPUC RA proceeding

Quick hit(s)

- On 12/30, CPUC distributed a PD in the “Click-Through” proceeding (A.18-11-015 et al) extending the statutory deadline from 1/31/23 to 9/29/23
 - Reasons cited were 1) need to continue reviewing the record, and 2) accommodate the availability of Commission resources
 - Expects that a PD addressing the issues will be issued “in the near future”
- Opening comments on OIR 22-11-013 (DER cost-effectiveness, data access, and equipment performance standards) are due on 1/9; we plan to circulate a draft shortly



CAISO update

- December 21 CAISO Service call w/ CAISO
 - On December 21, the Council and CAISO Service members held a video call with Anna McKenna, CAISO Vice President of Market Policy & Performance; Jill Powers, Section Manager, Demand Response and Distributed Energy Resources; and members of Jill's team.
 - The discussion was very constructive and positive; CAISO expressed an interest in continuing ongoing and regular discussions, and said they have an open door to discuss issues as they come up in order to avoid any potential disconnects in the future
 - Key points discussed included:
 - Clarification on the treatment of DR in the EDAM
 - Extension of the alternative day-of adjustment
 - DR baselines for frequently-dispatched DR resources
 - Potential future of dynamic rate-driven load shifting



CAISO update (cont.)

- Assembly Concurrent Resolution (ACR) 188
 - [ACR 188](#) directed the CAISO to develop an updated benefit/cost analysis on regionalization
 - The CAISO [announced](#) that its draft study will be delayed to mid-January 2023; they plan to hold a stakeholder call to review it, followed by stakeholder comments, and a final report to the Legislature by end of February
- Transmission Planning Process
 - The CAISO has kicked off Phase 1 of its Transmission Planning Process by developing its [Unified Planning Assumptions](#), incl. bus-level DR assumptions, including 1) evidence that the DR will be reliably operated and controllable by the CAISO, and 2) it has received approval by the CPUC through the RA or IRP process (due 1/29/23)
 - In Phase 2, CAISO performs its study and identified reliability needs; stakeholders may propose non-transmission alternatives for consideration

Discussion & Q&A

Thank You!

Please contact us if you have any questions.

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