



# DR, DERs + Resilience Committee

July 11, 2023



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# Today's Agenda

- Issues/Topics

- Council comments on updated revised DSGS program guidelines
- Phase 3 Resource Adequacy final decision
- CAISO Rules of Conduct Enhancements



# Council comments on updated revised DSGS program guidelines

- On 6/30, the CEC issued an [updated draft](#) of its revised DSGS program guidelines that reflected parties' comments on the initial draft
- Changes relative to the April draft include:
  - Option 1 (Standby and Energy Payment)
    - Greater content and (intended) clarity re: baseline calculations and baseline requirements (e.g. 10 days of meter data at minimum at time of use, etc.)
    - Explicit guidance on interconnected devices with export capabilities
    - Broad authority for providers to propose alternate methods of calculating incremental load reduction
  - Option 2 (Incremental Market-Integrated DR Capacity Pilot)
    - Additional 30% bonus for participating resources (2023 or 2024) to try and accelerate market readiness/engagement of resource
    - Greater guidance on measuring performance calculations, etc.
    - Elimination of requirement to receive CCA permission before engaging in program
    - Season-to-date capacity valuations enabling (hopefully) more rapid payout of incentives from the CEC. Provided at the aggregator's request
    - Requires residential customers to attest to various information under penalty of perjury, even though residential customers cannot directly participate in the DSGS

# Council comments on updated revised DSGS program guidelines (cont.)

- Changes relative to the April draft include: (cont.)
  - Option 3 (Market-Aware BTM battery Storage Pilot)
    - Provides various guidance throughout, including around POU reimbursement for administrative expenditures
- On 7/10, the Council submitted the following [comments](#):
  - The CEC should conduct a review of the DSGS as soon as possible following the summer 2023 season
  - Any additional participant information required of a DSGS provider by an LSE or the CEC should include an explanation for why it is needed and how it is relevant to verifying participant eligibility
  - The CEC should clarify that the 30% bonus incentive for Options 2 and 3 is available to participants in 2023 and 2024
  - Requiring an attestation of the accuracy of each participant's information under penalty of perjury is excessive; the burden should lay on DSGS providers
  - The CEC should clarify that for Option 2, the Demonstrated Capacity should be calculated once each summer season



# Council comments on updated revised DSGS program guidelines (cont.)

- Next steps
  - Expect the CEC to vote on the updated draft guidelines at its 7/26 Business Meeting
  - The Council intends to follow up at the end of the summer for program review, analysis, and improvements



# Phase 3 Resource Adequacy (RA) final decision

- On 6/29, the CPUC issued [D.23-06-029](#) in Phase 3 of the RA proceeding (R.21-10-002)
- Leading up to that, the Council teamed up with Enel, Leap, OhmConnect, and CPower to lobby advisors from four CPUC Commissioners; key points made were:
  - The originally-proposed \$500/MWh Proxy Demand Resources (“PDR”) bid cap would risk exhausting PDRs before they would be of greatest benefit
  - Eliminating the Transmission Loss Factor (“TLF”) Adder was unsupported by any evidence
  - Expanding PDR availability requirements as proposed was operationally challenging
  - Derating DR QC values based on a single test event was inappropriate and undermined the current DR QC counting process
  - The proposed timeline to finish the CEC’s DR QC methodology was excessively long and would be distracted by the effort to develop streamlined LIPs in parallel

# Phase 3 Resource Adequacy (RA) final decision (cont.)

- Key elements of the final decision included:
  - Adopts a \$949/MWh bid cap for all PDR counting as RA capacity beginning in 2024
  - Downgrades the threshold at which Reliability Demand Response Resources (“RDRR”) may be economically or exceptionally dispatched from a CAISO Energy Emergency Alert (“EEA”) 2 to an EEA Warning (effective immediately)
  - Eliminates the Planning Reserve Margin (“PRM”) and TLF Adders from DR RA values beginning in the 2024 RA year
  - Beginning in 2024, expands availability requirements for PDR RA resources to include days when a CAISO Flex Alert is called, during a CAISO Grid Warning or EEA notification, or when the Governor’s Office has issued an Emergency Declaration (does not grandfather existing contracts)
  - Allows the Energy Division to derate third-party DR RA values based on test results beginning with the capacity awards for the 2024 RA year
  - Establishes a timeline to finish developing the CEC’s DR QC counting methodology while simultaneously streamlining the existing LIPs
- Next steps: Council is in discussions w/ members on whether to file an AfR

# CAISO Rules of Conduct Enhancements

- On 7/6, the CAISO issued its Rules of Conduct Enhancements Track 1 straw proposal
- The DR-specific element will change DR baseline data penalties from a per-resource to a per-Scheduling Coordinator basis
- In a later track, the CAISO will seek stakeholder feedback on reviewing current DR customer load baseline data submittal requirements, defining clear deadlines for submitting data, and designing penalties to deter non-compliance to monitoring data submission requirements
- Next steps:
  - The CAISO will hold a stakeholder call on 7/13
  - Stakeholder comments on the Track 1 straw proposal are due on July 20



# Discussion & Q&A

**Thank You!**

*Please contact us if you have any questions.*

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