CALIFORNIA Efficiency + Demand Management COUNCIL

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California Efficiency + Demand Management Council Oral Statement on the Penalty Enhancements: Demand Response, Investigation, and Tolling Initiative at the September 26, 2024 Joint CAISO Board of Governors/Western Energy Markets Governing Committee Meeting

Good morning. My name is Joe Desmond and I am the Executive Director of the California Efficiency + Demand Management Council.

Thank you for the opportunity to address the CAISO Board of Governors and Western Energy Markets Governing Committee in support of the CAISO's Penalty Enhancements: Demand Response, Investigation, and Tolling, otherwise known as the "PEDRIT", stakeholder initiative.

Before I go further, I would like to thank the CAISO for following up on its commitment to address the penalty issues in the PEDRIT initiative that were highlighted in the joint appeal of Proposed Revision Request 1444 by the Council, Leapfrog Power, OhmConnect, Olivine, and Voltus.

The Council greatly appreciates the pragmatic and flexible approach taken by CAISO staff in this initiative to ensure that the CAISO's data requirements are met without imposing an unnecessarily heavy burden on demand response providers. The Council recognizes the CAISO's need for timely and accurate information from market participants. Without this, the CAISO's responsibility to operate an efficient and transparent market becomes more difficult. To that end, the Council supports the proposed penalty structure for missing demand response monitoring data.

I would also like to express my full support for the materiality threshold that the PEDRIT would create for Settlement Quality Meter Data. Without this threshold, penalties could be assessed for very small quantities of missing data which, while having a negligible impact on the CAISO's market operations, could have a significant financial impact on demand response providers. This is especially important for the third-party DR providers who rely on the IOUs to provide customer data on a timely basis. 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 occasional occurrences of late or incomplete data.

In summary, the Council supports all of the PEDRIT provisions that apply to demand response and we reiterate our appreciation of the CAISO staff's ongoing consideration of demand response community feedback. Accordingly, we respectfully urge the CAISO Board of Governors and WEM Governing Body to approve this initiative.

Thank once again for this opportunity to provide this oral statement.

Sincerely,

Joe Desmond
Executive Director
California Efficiency + Demand Management Council