

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding
Policies and Protocols for Demand Response,
Load Impact Estimates, Cost-Effectiveness
Methodologies, Megawatt Goals and
Alignment with California Independent System
Operator Market Design Protocols

Rulemaking 07-01-041
(January 25, 2007)

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION ON THE PROPOSED DRAFT RULE 24 FOR
DIRECT PARTICIPATION DEMAND RESPONSE**

The California Independent System Operator Corporation (CAISO) submits these reply comments on the proposed draft Rule 24 for direct participation demand response.¹ The reply comments below attempt to provide clarity in areas particularly relating to the CAISO and its processes, and to clarify one point made by the CAISO in its opening comments.

REPLY COMMENTS

1. Rule 24 must eliminate all references to PDR or RDRP as a term

Rule 24 includes express definitions for Proxy Demand Resource and Reliability Demand Response Product. The ISO suggests that a specific CAISO product not be listed by name in a retail tariff Rule. Products change and new products may be added. The ISO suggests keeping the “Demand Response Services” terms as a generic definition for participating demand response in the wholesale market.

¹ *Administrative Law Judge’s Ruling Soliciting Comments on Direct Demand Response Participation Rules*, Rulemaking 07-01-041, dated August 18, 2011.

2. Demand Response Service Definition must be Inclusive

The amendment of the DEMAND RESPONSE (DR) SERVICE definition suggested by the IOUs would limit the provision of demand response service to “customers enrolled and participating in a DRP program.” The ISO would revise this to include the ability for a customer to likewise participate in demand response services independent of a DRP program. For instance, a grocery store chain may want to offer demand response services to the ISO on its own. This concept is appropriately addressed in section: Applicability 1. *Entities and Services Subject to Rule 24*, but is missing in the definition.

CLARIFICATION OF CAISO COMMENTS

Section: C.2.a. Transmission of Operational Data

On page 4 of the ISO’s opening comments filed on September 23, 2011, the ISO stated:

A CCA or an ESP is acting as the load-serving entity when the IOU is acting as the DRP for CCA and direct access customers. As the load-serving entity, the CCA or ESP is given access to the CAISO’s demand response system (DRS). The DRS provides access to the operational data suggested to be provided by the IOU serving as the DRP.

In addition, the CAISO struck sections in C.2.a of the Energy Division’s version of Rule 24 included as an attachment to the CAISO’s comments based on the rationale above.

After discussions with the ESP community, the CAISO now understands striking this language was a mistake.

The CAISO only provides aggregate data, where the ESP and CCA community need more granular data than the CAISO provides to validate performance and settlement data for customer-specific service accounts that make up a demand response resource. The ISO believes the version of C.2.a as suggested by the IOUs in their comments is appropriate and preserves the requirement to provide the more granular data the ESP and CCA community require.

CONCLUSION

The CAISO appreciates the opportunity to provide these comments and remains available to participate in further proceedings as may be necessary to finalize these important rules.

Respectfully submitted,
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