

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

Order Instituting Rulemaking to Enhance the
Role of Demand Response in Meeting the
State's Resource Planning Needs and
Operational Requirements.

Rulemaking 13-09-011
(Filed September 19, 2013)

(NOT CONSOLIDATED)

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
Local and Flexible Procurement Obligations
for the 2016 and 2017 Compliance Years.

Rulemaking 14-10-010
(Filed October 16, 2014)

**NOTICE OF EX PARTE COMMUNICATION BY
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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Pursuant to Article 8 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files this notice of the following oral ex parte communication with Matthew Tisdale, advisor to Commissioner Florio.

On August 11, 2016 from approximately 2:20 p.m. to 3:50 p.m., representatives of the CAISO met with Mr. Tisdale and Commission staff members regarding the following topics (1) slow response resources counting as local resource adequacy capacity, (2) the Demand Response Auction Mechanism (DRAM), (3) 2018 demand response applications, and (4) progress on the CAISO's Demand Response Registration System. The meeting was held at the Commission's offices, 770 L Street, Sacramento, California. Attending for the CAISO were John Goodin, Regulatory Policy Manager and Delphine Hou, Manager, State Regulatory Affairs. Jill Powers, Smart Grid Solutions Manager, participated by phone.

CAISO staff updated Mr. Tisdale on the CAISO's process and progress to enable slow responding, energy limited resources to count as local resource adequacy resources. CAISO staff briefly reviewed and discussed the special study being conducted, with assistance from investor-owned utilities, as a part of the CAISO's transmission planning process. The CAISO explained that this study is designed to assess how long and how often slow responding, energy limited resources will be needed for the CAISO to meet applicable reliability requirements in the local capacity areas. The CAISO explained that these threshold needs could be articulated through the CAISO's local capacity requirements study. The CAISO staff also updated Mr. Tisdale on the CAISO's Commitment Cost Enhancements 3 stakeholder initiative, specifically regarding the opportunity for providers to manage the dispatch of slow responding, energy limited resources using energy bids and commitment costs.

CAISO staff engaged in a general discussion with CPUC staff and Mr. Tisdale about the DRAM, its progress, challenges and direction. The CAISO indicated that it is following the DRAM, but is not pursuing active involvement.

CAISO staff inquired about progress on the 2018 demand response program applications and reiterated its support for a timely decision to keep the bifurcation policy on track for 2018. The CAISO expressed concern about any efforts to extend bridge funding past currently approved dates.

CAISO also provided an update regarding the progress toward implementing its Demand Response Registration System (DRRS). The CAISO advised that a market notice was sent on August 12 to notify stakeholders about a DRRS web training session on August 18, 2016. The CAISO stated that the market simulation on the new DRRS is scheduled for August 22 to September 9, with an openness to extend market simulation an additional week if desired by

participants. The CAISO is currently targeting deployment of the DRRS during the week of September 19th.

No written materials were provided.

Respectfully submitted,

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