

# Blue Point Energy Comments on the CAISO Issue Paper Titled Direct Participation of Demand Response Resources in CAISO Electricity Markets

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## **Aggregated Resources**

Blue Point Energy has an interest in making markets accessible to aggregators and seeks a resolution to net metering issues and settlements along with a desire to utilize technology that lets aggregators supply a seamless CAISO market product for load reductions and ancillary services. In that interest we submit the following framework for discussion.

## **Framework**

Blue Point Energy suggests that when AMI meters are present both local aggregated net load and local aggregated resource load reductions should be reported to the CAISO by the aggregator on a 5 minute basis. This assumes that the AMI will make net load information available to the aggregator on a 5 minute basis.

Blue Point Energy expects this data will be subject to metering requirements similar to those currently in place for participating load. It is further anticipated, that aggregation detail will need to be submitted on a daily or weekly basis.

## **Market Settlement**

Bids settle as follows:

- The aggregator would be paid the cleared local aggregated resource load reduction times ( the nodal real time energy price less the utility day ahead average price).
- The utility would be reimbursed at the day ahead average price for the total of local aggregated resource load reductions.
- The utility would pay the real time LAP price times (the total real time load less day ahead load plus aggregated resource reductions).

The result of this is that the utility still pays for the energy to meet its load and any over or under forecast of load in the day ahead, but is reimbursed for total local aggregated resource reductions.

## **Benefits**

There are several benefits to this method:

- Demand side resources are given the ability to capture wholesale prices
- There is no need for aggregator performance to be based on utility baseline calculations when metering is available.
- Utilities are able to manage and forecast load much like they do today without more granular forecasting.
- Enables smart grid by making behind the metered demand side resources available for dispatch and ancillary services as directed in FERC Order 719.
- Aggregated load will be able to respond as a single unit and aggregator performance can be judged on that basis.
- Because aggregated resources will be combinations of many resources and thus more diverse, individual outage and performance measures will be less important than the more easily accessible performance measures for the aggregated resource.

### **Available Technology**

To a large extent, aggregators are already able to monitor their own load reductions so that it would be a modest technological step to enhance metering so it could perform in the proposed environment. Utilities too are rolling out AMI and would be able to provide appropriate data without substantial investment.

### **Conclusion**

Blue Point Energy thanks the CAISO for this opportunity and looks forward to further discussion of these DR markets.