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# DR Barriers to Entry in CAISO Markets

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Submitted by Rich Mettling for BluePoint Energy, LLC.

## Summary

BluePoint Energy, LLC is a DR Aggregator in California. Its business is the control and maintenance of demand side resources. In light of our experience in California BPE is concerned with four barriers to larger DR participation.

1. Restricted CAISO market participation for Utility DR Program participants.
2. Appropriate DR A/S market products.
3. Registration and credit requirements.
4. Resource aggregations.

If these barriers were lowered more DR projects could be justified in California.

## Description of Barriers

### Restricted CAISO market participation for Utility DR Program participants.

**Utility and CAISO programs** are in conflict. Utility DR Programs are the best source of Capacity Revenue for DR resources, but once committed to a Utility DR program; participation in CAISO A/S and Energy markets requires CPUC approval. This situation limits DR market access for Non-Spin and energy and limits participation of dispatchable demand resources. It seems only reasonable that a resource be allowed free access to A/S and load markets when DR programs have not been triggered. The additional revenue would incent more resources and enable expansion of DR.

### Appropriate DR A/S Market Products.

Current A/S products work well for generation but is not tailored to the demand side. .ERCOT currently purchases **Responsive Reserves** which may be actuated by under frequency relay or proportional response to frequency. These ancillary services are very compatible with DR and deserve consideration. Similar frequency response services have been discussed in WECC for generation but have not been implemented. Implementation of a market for such a service, with DR resources in mind could provide additional and very beneficial reliability resources and additional revenue incentives for DR.

### Registration and Credit Requirements.

More liberal credit requirements and registration procedures should be required of Curtailment Service Providers (CSPs). ISONE, NYISO and PJM all provide unique registration processes for CSPs.

### Small Resource Aggregations.

Bidding and scheduling along with telemetry could be simplified if Curtailment Service Providers could

**aggregate resources by load pocket.** With sub megawatt resources the cost of each installation is quite important and aggregations have the potential of lowering costs and encouraging market entry.

## Conclusion

We thank the CAISO for this opportunity and hope to see an aggressive and timely prosecution of all of the DR proposals under consideration.

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