

Comments on CAISO's Demand Response and Energy Efficiency Roadmap

May 21, 2013

On May 13, 2013, CAISO hosted the Demand Response and Energy Efficiency Roadmap workshop. California Department of Water Resources State Water Project (SWP) appreciates the opportunity to provide comments.

The objectives of the Roadmap are to improve grid reliability, change load consumption behaviors to reduce peaking capacity, provide alternatives to transmission or local capacity, and create opportunities to support demand response and energy efficiency investments.

SWP already makes significant contributions to these objectives as the largest demand response provider in the CAISO markets via Participating Load and through SWP's use of off-peak pumping. SWP also has the ability to provide a Remedial Action Scheme as an alternative to building transmission. But CAISO's current regulatory framework puts up barriers that prevent SWP from providing additional demand response. CAISO's Tariff limits SWP's Participating Load resources to providing load reductions, where prior to MRTU, SWP could also provide real-time load increases. If CAISO added this functionality SWP and other resources may be able to respond to over-generation conditions.

CAISO's Roadmap should consider how the regulatory framework can be improved to better align the range of services that CAISO uses to meet reliability needs with SWP's demand response resource capabilities. This should include an expansion of the products and services that demand response resources can provide. It should also include examining whether the current version of the Participating Load Agreement could be altered to address future flexible capacity requirements and identifying the flexible capacity products SWP resources could provide.

Unfortunately, the May 13 Workshop focused exclusively on increasing demand response participation of industrial, commercial, and residential loads. While increasing such retail demand response is an important element of the Roadmap, CAISO's objectives would be better achieved if CAISO simultaneously considered improvements in the structure of existing demand response products.