

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

Application of Pacific Gas and Electric Company for Recovery of Costs to Implement Electric Rule 24 Direct Participation Demand Response (U39E).

And Related Matters

Application 14-06-001
(Filed June 2, 2014)

Application 14-06-002
Application 14-06-003

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION REGARDING AMENDED RULE 24
DIRECT PARTICIPATION REPORTING PURSUANT
TO ORDERING PARAGRAPH 15 OF DECISION 15-03-042**

I. Introduction

On November 9, 2015, Pacific Gas and Electric Company (PG&E) requested a ruling allowing it to file an amended Rule 24 direct participation reporting template for the third quarter of 2015 (Amended Reporting Template). PG&E claims that its Amended Reporting Template provides additional information regarding developments at the CAISO that affect Rule 24 implementation. The CAISO responds to and clarifies points raised in PG&E's Amended Reporting Template and its accompanying motion.

II. Comments

A. The CAISO has provided sufficient information to market participants

PG&E states "there has been very little documentation on the enhanced business processes. These materials take time to develop but it is imperative that the IOUs understand these business processes so they can build their own complimentary (sic) processes. Lacking this data puts the IOUs at risk for not meeting the April date for the enhanced business processes and API."¹

¹ Motion of Pacific Gas & Electric Company to File Amended Reporting Template Pursuant to Ordering Paragraph 15 of Decision 15-03-042, p. 3.

The CAISO has published the necessary Business Requirements Specifications (BRS) for use by market participants as it does for all other information technology projects. The BRS serves as the set of business requirements for an entity to develop their software applications and systems. The document is created by identifying business process impacts and changes, which are then turned into business requirements specifications. These requirements are used by our market participants to help develop their systems and processes. In addition to the BRS, the CAISO has provided technical specifications, location and registration lifecycles and use cases to market participants.

To provide market participants a visual representation of what is contained in the published BRS, the CAISO is currently finalizing business process flow charts to be published on the project release planning webpage by the end of year. Early drafts of these flow charts will be published for stakeholder review and comment prior to finalization. The business process flow charts were developed and documented based on BRS version 1.1 and will include:

- Location management review process;
- Registration management validation processing; and
- Resource management resource data template processing touch points.

The process changes represented in the BRS do not fundamentally change current DRP/LSE/UDC requirements for resource registration by DRPs and review by LSEs/UDCs. Instead, these processes have been enhanced for a more efficient and automated information flow while accelerating registration and modification timelines as requested by stakeholders. For example, the LSE/UDC review and comment process currently performed at the registration level has been moved to the location level as requested by market participants. The CAISO provided PG&E and all interested market participants the opportunity to review published BRS versions and discuss changes to business processes related to the system enhancements through three separate Customer Partnership Working Group (CPG) meetings, which included a logical walk through of the requirements and identification of business process impacts. Additional documentation will be provided to market participants as part of the CAISO's ongoing development efforts.

The project implementation plan also includes the development and publication of training materials and an updated demand response registration system (DRRS) user guide with detail that will be provided once the system has been finalized. It is unclear what additional

information PG&E is requesting or could be provided beyond what has already been provided or is scheduled to be provided.

Table 1 below details the specific DRRS registration enhancement documentation that has been made available by the CAISO to market participants.

Table 1: Enabling Demand Response – Registration Enhancements Project

Project Documentation	Published	Document Link
Business Requirements Spec (BRS) V1.0	6/4/15	http://www.caiso.com/Documents/BusinessRequirementsSpecificationv1_0-DemandResponseRegistrationEnhancements.pdf
Business Requirements Spec (BRS) V1.1	7/8/15	http://www.caiso.com/Documents/BusinessRequirementsSpecificationv1_1_DemandResponseRegistrationEnhancementsClarifications.pdf
Technical Specifications	9/18/15	http://www.caiso.com/Documents/DemandResponseLocationRegistrationEnhancementTechnicalSpecification-v2Clean.pdf
Location and Registration Lifecycle	10/27/15	http://www.caiso.com/Documents/LocationandRegistrationLifecycle.pdf
Use Case – Location	10/27/15	http://www.caiso.com/Documents/SummaryofUseCaseforDemandResponseSolutions-Locations.pdf
Use Case – Registration	10/27/15	http://www.caiso.com/Documents/SummaryofUseCaseforDemandResponseSolutions-Registrations.pdf
Customer Partnership Group (CPG) -Presentations	5/12/15 6/11/15 11/3/15	http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=AE0100B2-98B1-4343-98A3-86900014C03B

B. It is unclear why PG&E is delaying its Application Programming Interface (API) and process development efforts.

The CAISO's current demand response system is fully capable of supporting the demand response auction mechanism (DRAM). Apparently, PG&E has not developed interfaces and related processes despite the fact that the CAISO's current DRRS APIs have been available for use by market participants since April 2015. Other market participants have successfully completed their interfaces using the APIs and are using the CAISO's system today. PG&E states "[t]he CAISO's new API also puts all IOUs and CAISO market participants in the undesirable position of having to build their Rule 24 business processes and IT systems twice for the Rule 24 Initial Implementation. The market participants will need processes and systems that can operate with the CAISO's existing DRRS system and Location API during the period from February to late-April 2016 to accommodate DRAM registrants. Then, market participants will have to transition systems and processes to operate with the CAISO enhanced DRRS in late April 2016."²

PG&E is correct that new APIs will be required for use by the enhanced DRRS. The new APIs are necessary based on improvements to the review process agreed upon by stakeholders. These improvements add flexibility to the registration processes and enhance participation capabilities. However, it is unclear why PG&E did not begin developing its interfaces using the APIs in April 2015 when the current DRRS APIs were made available. If they had begun their interface development earlier in the DRRS rollout, it would have allowed PG&E to better engage with the CAISO's enhanced DRRS system. Because of this delay, PG&E has unnecessarily limited its ability to prepare for an April 2016 deployment of the enhanced DRRS. If, instead, PG&E had built its interfaces using the CAISO's APIs, then during the transition of location registrations using the DRRS system deployed in April 2015, PG&E could have used those interfaces to register PDR/RDRR resources prior to the DRRS registration enhancement scheduled for implementation in late April 2016. Demand response resources already registered will remain active during the system upgrade because the CAISO will migrate all active locations and registrations to the new system automatically to minimize impact to active resource participation. The CAISO recognized stakeholders' concern regarding the development of new

² Id. at p. 3.

APIs and attempted to minimize adverse impacts by building on existing DRRS APIs, utilizing existing functionality, and adding to that functionality.

III. Conclusion

The CAISO appreciates this opportunity to address the issues raised in the Amended Reporting template. The CAISO looks forward to working with the Commission and stakeholders in the further development of the DRRS and integration of demand response resources into the CAISO markets.

Respectfully submitted,

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Dated: December 10, 2015