

2013 CAISO Stakeholder Initiatives Catalog

Submitted by	Company	Date Submitted
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EnerNOC appreciates the opportunity to provide these comments on the January 28, 2014 version of CAISO's 2013 Stakeholder Initiatives Catalog (Catalog). As requested, our comments focus on the changes since the November 5, 2013 draft and the Market and Infrastructure Policy Roadmap.

As a general comment, EnerNOC appreciates CAISO's efforts to closely coordinate the 2014 initiatives with the CPUC's proceedings that address similar issues, particularly the long-term procurement, demand response and resource adequacy proceedings. One of our challenges has been trying to actively engage with limited resources in all of these efforts at the various venues. That challenge is further complicated when the same issue is being addressed by multiple agencies with sometimes conflicting objectives. It would be very helpful if the Roadmap would clearly indicate the corresponding CPUC activities for each initiative in the timeline, as appropriate.

Changes reflected in the January 2014 Draft

Most of the changes reflected in the January 28, 2014 version of the Catalog do not directly impact demand response, so EnerNOC has no comment on those changes. The primary change that does impact demand response is pulling a number of initiatives under the umbrella of the new "Reliability Services Initiative." It is our understanding that this initiative will now encompass the following initiatives:

- Modify the Resource Adequacy Replacement Rules
- Standard Capacity Product Enhancements
- Standard Capacity Product for DR
- Use-Limited Must Offer Obligations

Pulling all of these items under one umbrella may make sense in terms of allocating CAISO resources. EnerNOC will engage in several of these sub-issues and did participate in the kick-off meeting for the Reliability Services Initiative. While we are pleased that the initiative is underway, it is not clear how all of the sub-issues fit into the timeline. That clarification would be helpful. It would also be helpful to specifically call out that "Preferred Resources Operating Characteristics" will be addressed under this umbrella initiative, as the Catalog does not appear to reflect that nuance.

It is also our understanding that the Voluntary Preferred Resource Auction will not be part of the Reliability Services Initiative but will move to the CPUC. As defined in the Catalog, this auction would "work in concert" with the backstop reliability services auction, which is apparently part of the Reliability Services Initiative. Additional details on how the coordination will occur between CAISO and CPUC on these two auctions would be helpful.

Comments on the Market and Infrastructure Policy Roadmap (Roadmap)

EnerNOC appreciates the addition of the Roadmap in this version of the Catalog. The Roadmap helps clearly identify which initiative CAISO proposes to tackle this year and when they are proposed to begin. As mentioned above, it would be helpful to include proposed start dates for the initiatives that now fall under the Reliability Services Initiative. While that Initiative kicked off earlier this month, the clarification on the sub-issues would be helpful if CAISO is considering some kind of phased approach since not all stakeholders participating in the Initiative will necessarily engage in each of the sub-initiatives.

While EnerNOC generally agree with the elements of the Roadmap that impact demand response, we are concerned about some of the missing initiatives. The remainder of our comments will focus on those issues that CAISO is not proposing to address in 2014.

Section 7.7 DLAP Level Proxy Demand Response (D)

EnerNOC is very disappointed that this initiative is not included on the policy roadmap for 2014. We have continually expressed our support for modifying Proxy Demand Resource (PDR) to add the ability for a default load aggregation point (DLAP) level resource to be incorporated into the CAISO market. Other stakeholders have also expressed support for this as it would allow utility DLAP wide dynamic rate tariffs to be explicitly incorporated into the CAISO markets (PG&E) and could ease the burden of PDR management that is a product of identifying and restricting PDRs to a sub-LAP (Olivine). EnerNOC believes another significant issue is that the current PDR mechanism would require flexible resource adequacy criteria and must offer obligations (FRACMOO) bids to be submitted on a sub-LAP basis. However, a flexible capacity resource requirement is being developed to meet a system need. We believe it is critical to add DLAP level PDR to facilitate the current “non-discretionary” FRACMOO initiative currently underway.

Section 15.3 Combined Demand Response Product (D)

EnerNOC previously requested clarification as part of this Catalog process on whether there needs to be an “initiative” included to specifically allow demand response resources to provide spinning reserves, per the recently approved BAL-002-WECC-2 Contingency Reserve standard. Our assumption is this would fall under the “FERC-mandated” area as this is likely a tariff change, rather than a “Non-discretionary” issue, but it may also fit within this Combined Demand Response Product initiative. If the expansion of either CAISO’s current non-generating resource model or PDR product for demand response need a specific initiative to include the spinning reserve capability, then this Initiative may be critical for 2014. If the change will occur somewhere else, please provide that clarification.