

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

Application of Pacific Gas and Electric Company (U39E) for Approval of Demand Response Programs, Pilots and Budgets for Program Years 2018-2022.	Application 17-01-012 (Filed January 17, 2017)
And Related Matters	Application 17-01-018 (Filed January 17, 2017)  Application 17-01-019 (Filed January 17, 2017)
Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years.	Rulemaking 17-09-020 (Filed September 28, 2017)

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
NOTICE OF EX PARTE MEETING**

Pursuant to the Rule 8.4 of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits this notice of ex parte communication with Commissioner Advisor Candace Morey related to the above captioned proceedings. The ex parte communication occurred on January 19, 2018 at 11:30 a.m. via telephone conferences. The following individuals attended on behalf of the CAISO: Neil Millar, Executive Director for Infrastructure Development; John Goodin, Manager of Infrastructure and Regulatory Policy; Delphine Hou, Manager, State Regulatory Affairs; and Jordan Pinjuv, Senior Counsel. In addition, Jean Lamming of the Commission’s Energy Division staff participated in the telephone conference.

The discussion addressed how the Commission could best target demand response in constrained local capacity areas and disadvantaged communities consistent with Commission Decision (D.) 17-12-003. Mr. Millar explained the difficulty in determining specific local capacity areas that may prospectively face capacity deficiencies. This difficulty is based in part on the fact that in recent years, local deficiencies are largely driven by generator retirements,

rather than load growth or other factors. The resulting local deficiencies depend on the specific generator retirements that occur, and those retirements are difficult to predict in advance. Mr. Millar also explained the ongoing effort to address local capacity needs with preferred resources in the Oakland local capacity area. Mr. Millar indicated that any pilot programs initiated by the Commission should be coordinated with, or complementary to, existing procurement efforts.

Mr. Goodin suggested that the Commission should seek to leverage existing demand response programs, such as the Demand Response Auction Mechanism, to target programs in disadvantaged communities and local capacity areas. Mr. Goodin stated that leveraging existing programs could increase the Commission's efficiency.

Mr. Millar explained the CAISO's understanding of the overlap between disadvantaged communities and local capacity areas. Mr. Millar noted that in some areas, the disadvantaged community may not be located in a single local capacity area, thereby complicating local procurement efforts. Mr. Millar did indicate that the CAISO is working to identify existing generators that are located within a disadvantaged community.

The CAISO indicated that it is open to working with the Commission to ensure that any demand response programs implemented as a result of D. 17-12-003 are maximally effective.

The CAISO did not provide any written materials during the ex parte communication.

Respectfully submitted

***By: /s/ Jordan Pinjuv***

Roger E. Collanton

General Counsel

Anthony Ivancovich

Deputy General Counsel

Jordan Pinjuv

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel.: (916) 351-4429

Fax: (916) 608-7222

[jpjuv@caiso.com](mailto:jpjuv@caiso.com)

Attorneys for the California Independent  
System Operator Corporation

January 22, 2018