

COMMENTS BY JOINT DR PARTIES ON CAISO'S COMMITMENT COST ENHANCEMENTS PHASE 3 DRAFT FINAL PROPOSAL

EnerNOC Inc., Johnson Controls Inc., Comverge, Inc., Energy Hub and CPower (Joint DR Parties) submit comments on CAISO's February 17, 2016 Draft Final Proposal in the Commitment Cost Enhancements Phase 3 (CCE3) initiative. Joint DR Parties' comments are specific to the impacts of the proposal on demand response (DR) resources participating as Proxy Demand Resource (PDR) and Reliability Demand Response Resource (RDRR).

In previous comments in Phase 3 of the CCE3 initiative, Joint DR Parties questioned why CAISO was proposing to change the use-limited status in the tariff for PDR and RDRR and expressed confusion as to the implications of the new use-limited definition for these products. We also requested clarification on how the CCE3 proposal impacts the Reliability Services Initiative, which is where we discussed the relevant use limitations permitted under the CPUC and CAISO RA requirements: dispatch for four hours per day for three consecutive days, and 24 hours per month.

Joint DR Parties continue to question the need to change the use-limited status in the tariff for PDR and RDRR. However, we do appreciate CAISO's Staff's willingness to discuss this with stakeholders and to modify the proposal to clarify some of the areas of confusion. In response to stakeholders concerns on the impact of the proposed change to the outage cards for PDR and RDRR, the Draft Final Proposal incorporates a new "nature of work outage card" specific for demand response resources. In addition, the proposal provides additional clarification that the CCE3 policies are not proposing to change RAAIM exemptions developed in the Reliability Service initiative or the current treatment of PDR or RDRR in terms of bid insertion and bid mitigation exemptions.¹ We appreciate the CAISO's expressed objective to "ensure there is no change in treatment of demand response resources without use-limited status."²

Section 10.3 of the Draft Final Proposal clarifies that PDR and RDRR will have specific "Demand Response Outage Cards" to reflect the short term use-limits reached outage cards approved by FERC in the RSI initiative. These "nature-of-work" outage cards will provide RAAIM exemption for the resources while on outage. It appears clear that these new outage cards can be used after the resource has been dispatched for three days in a row and four hours a day for an outage of up to 48 hours and can be used after the resource has been dispatched for 24 hours in a month for an outage for the remainder of the month. However, the Draft Final Proposal does not clarify that these "nature of

¹ CCE3 Draft Final Proposal at pp. 8, 10, and 15.

² CCE3 Draft Final Proposal at p. 15.

work” outage cards would apply when any annual limitations are reached, and that the resource would continue to be exempt from RAIM in this case. The additional clarification would be helpful.

Thank you for your consideration of our comments.

Melanie Gillette
Director, Western Regulatory Affairs
EnerNOC, Inc.
mgillette@enernoc.com

Jennifer Chamberlin
Director Regulatory Affairs- Integrated Demand Resources
Johnson Controls, Inc.
Jennifer.Anne.Chamberlin@jci.com

Carlos Lamas Babbini
California Demand Response Programs
CPower
carlos.lamasbabbini@CPowerCorp.com

David Lowrey
Director, Regulatory Strategy
Comverge, Inc.
dlowrey@comverge.com