

Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Draft Regional Framework Proposal for the Regional Resource Adequacy initiative that was posted on December 1, 2016. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **January 11, 2017**.

Please provide feedback on the Regional RA Draft Regional Framework Proposal below.

The ISO is especially interested in receiving feedback that indicates if your organization supports particular aspects of the proposal. Alternatively, if your organization does not support particular aspects of the proposal, please indicate why your organization does not support those aspects.

The Joint DR Parties appreciate the opportunity to provide comments on the CAISO’s Draft Regional Framework Proposal for Regional Resource Adequacy. The Joint DR Parties continue to be concerned about the new and onerous testing requirements being proposed as a part of uniform counting rules to determine the capacity value of Supply Side Demand Response Resources. CAISO proposes that a 4 hour test be conducted for each winter and non-winter periods. While this is an improvement from the “seasonal” proposal contained in the Third Revised Straw proposal, it is neither comparable to current Demand Response resource tests, nor to requirements placed on generation resources which only require a single hour test – even for run of the river hydro resources which are highly sensitive to weather and hydrological conditions. We believe strongly that it should be the underlying goal of any set of uniform rules in the proposed Regional RA framework to treat resources comparably. No one resource type should be provided a more onerous test than another. In other organized markets the capacity value tests of demand response resources align with those imposed on generation resources.

No other resource in CA, that the Joint DR Parties are aware of, are tested on this basis, even though they are available as an annual RA resource. DR resource testing requirements should not be disconnected from the testing requirements of other resources. Only if all resources

were tested in this manner would it make sense. No other market in the US has instituted a testing protocol that is more rigorous for one type of resource than another.

Additionally, the CPUC has not separated the Resource Adequacy resource rules under its jurisdiction into RA seasons. We recognize that this is a proposal that broadens the CAISO's reach beyond CPUC jurisdictional entities – but we believe that as an anchor participant in any expanded regional ISO that the existing CA RA structure should be respected and utilized as the basis for forming expanded market rules. At a minimum it should be noted that the local jurisdictional entities counting rules may supersede those proposed in a regional document.

The Joint DR Parties believe this proposal violates the mantra used in markets around the country that resources be treated with parity. Singling out and imposing more onerous requirements on Demand Response resources may stifle the growth and participation of resources at the same time that CAISO has encouraged supply side DR resources to be integrated into its markets rather than be dispatched separately outside of its own market models.