

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

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2016 and 2017 Compliance Years

Rulemaking 14-10-010
(Filed October 16, 2014)

**NOTICE OF EX PARTE COMMUNICATION BY
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files this notice of oral ex parte communications.

On May 2, 2016, the CAISO met with President Michael Picker and Energy Division Staff members Cynthia Walker and Simon Baker. The meeting was held at the offices of the California Energy Commission, 1516 9th Street, Sacramento, California 95814. The ex parte discussion began at 4:15 p.m. and ended at 4:20 p.m. The following individuals were in attendance for the CAISO: Steve Berberich, President and Chief Executive Officer; Tom Doughty, Vice President – Customer and State Affairs; Neil Millar, Executive Director – Infrastructure Development; and Jordan Pinjuv, Counsel.

The discussion addressed issues related to the CAISO’s recommendation that the Commission align its local resource adequacy requirements with the CAISO’s Local Capacity Technical Study.¹ During the discussion, the CAISO indicated that for local capacity purposes, resources must enable the CAISO to reposition the system within operational limits within 30 minutes following a first contingency in order to prepare the system in advance of a potential second contingency event. To meet reliability standards adopted by the North American Electric Reliability Corporation, the Western Electricity Coordinating Council and the CAISO, the CAISO must either (1) be able to dispatch resources with some frequency in advance of a first contingency event or (2) call on fast responding resources after the first contingency event to reposition the system. The CAISO indicated that it has traditionally studied demand response

¹ Terms not otherwise defined herein are used as defined in the CAISO tariff.

resources in the context of fast-responding resources, due to use limitations that would preclude frequent pre-contingency dispatch and that, to the CAISO's knowledge, no other regional transmission operator in the United States uses demand response resources to address local contingencies on a post-contingency basis. The CAISO indicated that it has initiated a stakeholder process to determine the extent to which demand response resources may meet local capacity needs based on pre-contingency dispatch.

No written communications were provided during the meeting.

Respectfully submitted,

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