



CALIFORNIA LARGE  
ENERGY CONSUMERS  
ASSOCIATION

*Via E-mail*

July 14, 2021

California ISO Board of Governors  
P.O. Box 639014  
Folsom, CA 95630

RE: Board 9: Decision on RAAIM exemption option for variable demand response resources

Dear ISO Board of Governors:

CLECA appreciates the core of the proposal – to seek FERC approval for an exemption for variable Demand Response resources from the RAAIM, and we very much appreciate the revision to the proposal. This revision removes the “sole discretion” language and inserts the phrase “in conjunction with the relevant Local Regulatory Authority”. However, we share the other two concerns expressed by the CPUC staff that have not yet been addressed with revisions to the proposal. These are (1) that the RAAIM exemption for DR should not be linked to a particular QC methodology, specifically ELCC and (2) that the RAAIM exemption should be applicable to DR whose QC is set with the methodology adopted by the CPUC following the CEC-led working group.

Notably, CPUC decision 21-06-029, adopted in June, expressly states that the RAAIM exemption should *precede* the application of ELCC. Accordingly, per the relevant Local Regulatory Authority for the Base Interruptible Program, the application of ELCC is not a pre-requisite for the RAAIM exemption; rather, it is the other way around. Further, per the same CPUC decision, the RAAIM exemption is also the pre-requisite for a requirement that the investor owned utilities move DR resources on to supply plans.<sup>1</sup> Additionally, that decision also requests the CEC to launch a stakeholder working group process to “develop recommendations for a comprehensive and consistent M&V strategy, including a new capacity counting methodology for DR addressing ex post and ex ante load impacts for implementation as early as practicable”.<sup>2</sup> This CEC-led process begins July 19.

Finally, on July 15, the CPUC will vote on a decision reforming its Resource Adequacy program; the pending proposed decision would undertake the “Slice of Day” approach, and ELCC for wind and solar would be replaced with a different methodology. It is not clear under this new approach that ELCC would be appropriate for demand response.

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<sup>1</sup> See D. 21-06-029 at 30-31 (“once the Commission confirms that CAISO permits DR resources to bid variably in its markets and implements a FERC-approved RAAIM penalty exemption for DR resources, each IOU will be directed to move its DR portfolios onto CAISO Supply Plans”).

<sup>2</sup> Id. at 35.

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CLECA accordingly respectfully supports the further modifications requested by the CPUC staff of the CAISO proposal in the final CAISO filing with FERC and asks you to allow the necessary time for the collaborative process led by the CEC to unfold.

Sincerely,

A handwritten signature in cursive script that reads "Paul Nelson". The signature is written in black ink and is positioned above the printed name and title.

Paul Nelson  
Barkovich and Yap, Inc.  
Consultant for California Large Energy Consumers Association