

SCE Final Proposal comments – Demand Response (DR) Resource Adequacy Availability Incentive Mechanism (RAAIM) Exemption

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Southern California Edison (SCE) provides the following comments on the California Independent System Operator (CAISO) Final Proposal and Meeting on DR RAAIM held June 15, 2021¹.

SCE supports, with caveats, the proposed capacity valuation option for Proxy Demand Resource (PDR) and Reliability Demand Response Resource (RDRR) to be exempt from the Resource Adequacy Availability Incentive Mechanism (RAAIM). SCE understands that the CAISO will seek to obtain CAISO Board approval and make a Federal Energy Regulatory Commission (FERC) filing based on the interim effective load carrying capability (ELCC) methodology for investor-owned utility (IOU) DR for the 2022 compliance year. However, it is unclear the process by which the CAISO will determine, at its sole discretion, a substantially similar methodology. While this tariff language inclusion seems to provide the CAISO flexibility to approve different DR capacity valuation methodologies, similar to ELCC, without requiring additional FERC filings, the California Public Utilities Commission (CPUC) and the CAISO should continue to work constructively and collaboratively to ensure RA objectives and counting rules remain aligned to avoid the risk of different capacity valuations for DR for 2023 compliance year and beyond.

As such, SCE recommends that the proposed tariff language be amended to reflect:

Demand Response Resources whose Qualifying Capacity is established using an effective load carrying capability methodology (as that term is used in Section 399.26(d) of the California Public Utilities Code, or a successor provision) or a methodology **that the CAISO, in conjunction with the relevant Local Regulatory Authority, determines in its sole discretion** is substantially similar to the effective load carrying capability methodology.

¹ <http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>