



Stakeholder Comments Template

CAISO Reliability Demand Response Resource Minimum Run Time: Issue Paper/Draft Final Proposal

This template has been created for submission of stakeholder comments on the CAISO Reliability Demand Response Resource Minimum Run Time stakeholder call is scheduled on December 20, 2023. The meeting presentation and meeting recording for this initiative have been posted to the miscellaneous stakeholder meetings [webpage](#).

Upon completion of this template, please submit it to ISOStakeholdersAffairs@caiso.com. Submissions are requested by close of business on **Dec 18, 2023**.

Submitted by	Organization	Date Submitted
<i>Luke Tougas 510.326.1931</i>	<i>California Efficiency + Demand Management Council</i>	<i>December 18, 2023</i>

Please provide your organization’s comments on the following issues and questions.

- 1. Do you believe the proposed changes will address the three identified issues in the paper?**

The CAISO’s Issue Paper/Draft Final Proposal (Proposal) defines the following goals of this stakeholder initiative:

- Provide operational benefit by more accurately reflecting RDRRs’ minimum on time in the markets during stressed conditions;
- Maintain the preferred operational dispatch order of RDRRs directed by the CPUC allowing CAISO “...to use RDRR, as an RA resource, for economic or exceptional dispatch upon the declaration of a day-of [Energy Emergency Alert (“EEA”)] Watch (or when a day-ahead EEA Watch persists in the day of)” [footnote omitted]; and
- Mitigate concerns with continued participation in the retail programs integrated as RDRRs and retain demand reduction capacity they provide.

Extending the minimum on time (which the CAISO appears to define as the combined Start-Up Time and Minimum Run Time) from 60 minutes to 255 minutes addresses the first goal by enabling RDRRs to provide relief to the grid for a longer period of time which generally better suits the preferences of the underlying customers. A vast majority of customers enrolled in RDRR are participants in the Base Interruptible Program (BIP) and tend to shut down during BIP events for anywhere between

several hours to over a day.¹ Therefore, it behooves the CAISO to utilize this extended load curtailment to its advantage by reflecting it in market optimization. However, the Council recommends the proposed tariff language be revised to specify that the minimum on time will be respected regardless of whether the RDRR is dispatched economically or through exceptional dispatch.

The Proposal does not directly address the second goal because, as the Proposal states, the preferred operational dispatch order of RDRRs is directed by the California Public Utilities Commission (CPUC). However, it does facilitate the CPUC's directive by making it more tolerable for RDRR participants.

Notwithstanding the Council's well-documented concerns about RDRRs being activated by an Energy Emergency Alert Warning, the Proposal represents a step in the right direction by ensuring that participating customers are dispatched for the purpose for which the RDRR product was originally created – to respond to broad-based threats to system reliability. This extended minimum on time will hopefully avoid a recurrence of the deployment of RDRRs to address very limited duration shortages of ramping capacity similar to what occurred in July 2023. As the California Large Energy Consumers Association (CLECA) has already explained, BIP dispatches come with a very high economic cost to participants so, to maintain support for participation, extending the minimum on time is a critical step to ensure that RDRRs are appropriately deployed.²

2. Please provide any Tariff amendments comments.

There is some inconsistency between the usage of “minimum on time” and “minimum run time”. On page 4 of the Proposal, the CAISO appears to define the combined Start-Up Time and Minimum Run Time as the “minimum on time.” However, the proposed revised tariff language refers to a 255-minute combined Start-Up Time and minimum on time. The Council recommends the CAISO ensure consistency on the usage of these terms.

3. Recognizing this is a very limited scope to meet the accelerated timeline, what additional Reliability Demand Response Resource Minimum Run Time enchantments in the future would you like to see and why?

The Council reserves comment on this question at this time.

¹ *Petition for Modification of D.23-06-029 by the California Large Energy Consumers Association*, August 24, 2023, at p. 9.

² *Petition for Modification of D.23-06-029 by the California Large Energy Consumers Association*, August 24, 2023, at pp. 8-9.