



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
Sam Harper, 214-463-9423	California Large Energy Consumers Association (CLECA)	12/18/2023

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?

Yes. CLECA strongly supports the CAISO proposal to change the existing requirement that a Reliability Demand Response Resource (RDRR) must have a minimum run time of no more than one hour. This follows the California Public Utilities Commission (CPUC) Decision (D.) 23-06-029 on June 29, 2023, which led to CAISO revising its Operating Procedure 4420 on August 1, 2023. This Operating Procedure 4420 revision permits CAISO operators to enable economic bids for RDRR during EEA Watch conditions. It is crucial to represent a resource's physical operational characteristics accurately to optimize the economic dispatch of resources, particularly when they are enabled during EEA Watch ahead of real time emergency conditions. CLECA agrees that the proposed minimum on time (MOT) by CAISO would enhance the precision of economic bids, and address the three issues (reproduced in *italics* below) identified in the paper:

1. *Provide operational benefit by more accurately reflecting RDRRs’ minimum on time in the markets during stressed conditions*

Enhancing the precision of the physical operating characteristics of RDRRs reflected in CAISO’s Masterfiles will improve CAISO's ability to optimize the

dispatch of these resources during periods of stress. It is important to note that the proposal does not require a higher MOT; rather, it establishes a higher maximum limit. This allows Masterfiles to represent a resource's physical operating capabilities more accurately within the proposed maximum MOT limit. Setting the proposed maximum MOT and combined startup time at 255 minutes ensures that RDRR remains committable as a short-term unit in the real-time market.

2. *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)"*

The CAISO proposal is consistent with CPUC direction on RDRR operational dispatch order. CAISO will continue to be allowed to enable RDRRs for economic dispatch during EEA Watch conditions, with the critical improvement that reflects improved accuracy operational characteristics upon adoption of this MOT proposal. The proposal does not impact CAISO's ability to exceptionally dispatch RDRR, maintaining current dispatch procedures.

3. *Mitigate concerns with continued participation in the retail programs integrated as RDRRs and retain demand reduction capacity they provide*

Customers participating in RDRR programs are justifiably concerned about the frequency of curtailment events, and the unpredictability of dispatch procedures. Members of CLECA engage in these programs to mitigate the exceptionally high energy costs in California. However, RDRR program curtailment events prove to be extremely costly for large, complex manufacturers. Over the past few years there has been a decline in RDRR customer enrollment, mainly due to customer fatigue stemming from the recent frequent occurrence of these curtailment events. The enrollment drop has been further exacerbated since implementation of CAISO operating procedure updates permitting economic bids during EEA Watch conditions. This change has introduced additional uncertainty regarding the future frequency of dispatches. The proposed MOT will aid in reducing this customer uncertainty. Ensuring that the operational characteristics of RDRR are correctly represented in economic bids within Masterfiles is crucial to prevent excessive dispatches caused by inaccuracy.

2. Please provide any Tariff amendments comments.

CLECA supports the proposed Tariff amendment, which would change the current restriction to more accurately reflect RDRR's operating characteristics, while ensuring RDRR remains committable as a short-term unit in the real time market.

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

CLECA appreciates the limited scope necessary to meet this accelerated timeline. In future stakeholder initiatives, CLECA would like to see enhancements related to RDRR fixed costs. RDRR participating customers incur fixed costs associated with curtailment and start up that are incurred per dispatch event, rather than based on the event duration. This is similar to conventional generator startup costs, but is not currently reflected in RDRR dispatch parameters.