



October 21, 2002

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation,  
Docket No. ER02-1656-000**

**Investigation of Wholesale Rates of Public Utility Sellers of  
Energy and Ancillary Services in the Western Systems  
Coordinating Council, Docket No. EL01-68-017**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")<sup>1</sup> respectfully submits this Report On Demand Response ("Report") in compliance with the Federal Energy Regulatory Commission's ("Commission") July 17, 2002 "Order On the California Comprehensive Market Redesign Proposal," 100 FERC ¶ 61,060 (2002) ("July 17 Order"), issued in the above-referenced dockets.

## **I. BACKGROUND**

The instant Report is in response to the July 17 Order addressing the ISO's May 1, 2002 filing of its Comprehensive Market Redesign Proposal ("May 1 MD02 Filing"). In its July 17 Order, the Commission, among other things, directed the ISO

---

<sup>1</sup> Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

“to change the rules of its spinning reserve market to enable the full participation of demand response as a resource. The CAISO shall work with the demand response community and other stakeholders to determine how demand response programs can participate in other ancillary service markets, and file a compliance report by October 21, 2002 outlining the measures taken to improve demand response participation in all CAISO markets.”

July 17 Order at ¶ 113.

As detailed below, this Report sets forth a process and a schedule for integration of Demand response into the MD02 proposal and shows that such Demand response measures are consistent with the Commission’s proposed Standard Market Design (“SMD”) as well. The Report is organized into the following sections:

- Background of ISO Demand response programs in 2000 and 2001
- ISO two-tier strategy to advance Demand response
- Current Demand program activities in California
- Real time pricing initiatives
- Demand initiatives in MD02 are consistent with SMD
- Investigation of other ISO Demand Response programs
- Demand participation in Spinning Reserve market
- Conclusion

## **II. Background of ISO Programs**

As indicated in the quarterly reports filed with the Commission on September 14, 2001, December 14, 2001, March 26, 2002, and June 17, 2002, in Docket No. ER00-95-000, the ISO has made a significant investment in developing and deploying Demand response programs in 2000 and 2001. Beginning in late 1999 and utilizing an extensive stakeholder process, the ISO developed and implemented both market-based and emergency Demand response programs. As discussed below, the several ISO Demand response programs successfully attracted participation from aggregators.

The ISO’s Participating Load Program (“PLP”) is consistent with the Commission’s SMD because it permits Load to compete with generators in the Non-Spin, and Replacement Reserve and Supplemental Energy Markets. The ISO implemented certain exceptions to the technical and contractual requirements for participation in these markets to simplify participation by Load. To date, the primary participation in this program has been from the California Department of Water Resources (“CDWR”) water project pumps, but this has been substantial: the peak performance was in August 2000 when bids totaled

over 700 MW. On the other hand, there was a drop in participation in Summer 2001, due in part to the energy crisis and low water conditions.

The ISO also developed two emergency programs that, to encourage Load curtailment during emergency conditions, offered opportunities for significant revenues in excess of market revenues. The first emergency program was the Demand Relief Program, which was offered as a pilot program in 2000. In 2001, the ISO received bids from over 1100 MW for this program. The second emergency program, which was available during the summer of 2001, was the Discretionary Load Curtailment Program. Under this program Loads were paid \$350/MWH for Energy curtailment while also having the opportunity to offer Energy curtailment in the Day-Ahead Market or into the Real Time Market, thus gaining additional flexibility in signaling the timing by which Loads could be curtailed. The ISO utilized these two programs only once, on July 3, 2001, curtailing a combined 185 MW from both programs. Given the high degree of concern over creditworthiness of the ISO and other Market Participants at the time, this reflects a substantial curtailment and suggests both that the ISO appropriately designed the programs and that there are Load entities that indeed are committed to participation in such programs.

The two emergency Demand response programs did not receive complete support from the California Public Utilities Commission ("CPUC"). Specifically, the CPUC declined to allow the Investor-Owned Utilities ("IOUs") to recover their implementation costs for these Demand programs, refused to permit the IOUs to be aggregators in the ISO programs, prevented interruptible retail customers from participating in the ISO Ancillary Services ("AS") markets and required the IOUs to offer a Demand response program that duplicated one of the ISO programs. Also, these programs were affected by the insolvency and bankruptcy of key ISO Market Participants in 2001. Moreover, stakeholders raised cost-causation and cost-allocation concerns about the funding of these programs. Finally, the energy crisis in 2000 and 2001 caused the State to create a number of Energy-related programs, including demand response programs, that were not fully coordinated and even competed with one another in some cases. As a result, there was some confusion among potential participants as they sought to evaluate the benefits of participation in the different programs.

### **III. ISO Two-Tier Strategy For Promoting Demand Response**

The ISO altered its strategic plan for developing Demand response programs in 2002. Specifically, the ISO:

- Suspended its two emergency programs and engaged in cooperative development of various programs administered by State agencies and the California IOUs;
- Expanded the flexibility of the market-based Participating Load Program through the proposed MD02 proposal; and
- Supported the State's efforts to implement a retail real time pricing initiative.

The ISO believes these changes in strategy for promoting Demand response programs are consistent with the Commission's SMD in that such coordinated programs provide greater opportunities for Demand to compete with Supply in forward markets and generate market price signals that can be used for real time pricing initiatives. Moreover, several of the State agency programs are based upon, or even duplicate, the ISO's previous emergency programs. Specifically, the Consumer Power and Conservation Financing Authority's (also known as the California Power Authority or "CPA") Demand Reserve Partnership incorporates provisions and technology from the ISO's earlier Demand Relief Program that permit Loads to participate in the ISO's Non-Spinning Reserve Market. In addition, the CPUC has directed the IOUs to re-start the Demand Bidding Program, which is modeled upon the ISO Discretionary Load Curtailment Program. Thus, suspending the ISO programs will avoid duplicating efforts and creating competition for the same potential participants. The ISO will continue to include Load participation in all appropriate aspects of MD02, including participation in ISO Markets and any future resource adequacy requirement. Further details of the opportunities to participate in Demand response through the ISO Participating Load Program are in the MD02 section of this Report, below.

### **IV. Current Demand Programs in California**

The ISO is actively involved with several initiatives being sponsored by a number of different State agencies. The three main agencies implementing Demand response programs are the CPUC, the California Energy Commission ("CEC"), and the CPA. Although the ISO does not maintain a continuous catalog of the programs and quantity of curtailable Demand available through the several

State programs, the ISO does cooperate at every opportunity in designing such programs. To the best of the ISO's knowledge, currently available State programs include:

**1. CPUC Interruptible and Emergency Programs**

- Existing Interruptible customers
- Agricultural Pumping Program
- Air Conditioning Cycling Program
- Optional Binding Mandatory Curtailment Program (created in 2001)
- Base Interruptible Program (created in 2001)
- Demand Bidding Program (created in 2002)

**2. CEC Programs**

- Peak Load Reduction (numerous programs available to consumers)
- Voluntary and Emergency Reduction Program (building energy controls)

**3. CPA Demand Reserve Partnership Program**

The recent CEC report "2002 Monthly Electricity Forecast: California Supply/Demand Capacity Balances for May December," May 2002, 700-02-003F, provides a monthly estimate of curtailable Demand for the last half of 2002. The numbers ranged from 1,758 MW/month to 2,044 MW/month.

In addition to the programs listed above, the State is funding an effective conservation program implemented by the IOUs, the "20/20 Program" which offers IOU retail customers a 20% reduction in their retail bills if they reduce Energy consumption by 20%.

The CPA Demand Reserve Partnership Program has two separate products. First, participants can offer Demand curtailment to CDWR on a day-ahead basis. If selected by CDWR, the relevant IOU can reduce its Load Schedule in either the ISO Day-Ahead or Hour-Ahead Market. This activity is independent of any ISO action and therefore, the ISO involvement is limited to management of reduced IOU Schedules submitted to the ISO. The second product in the CPA Demand Reserve Partnership Program is Demand curtailment that is bid into the ISO AS Market. The ISO is actively involved in supporting CPA's implementation of the AS product by incorporating this effort into the ISO's PLP. The PLP allows individual end-use customers, who on their own are too small to meet the requirements for participation in the ISO AS Markets, to bid into these markets as aggregated resources. The ISO is working with the CPA to ensure that the CPA can meet the PLP's technical requirements for ISO market participation. Such requirements include demonstrating the ability to 1) provide near real-time telemetry, 2) aggregate, 3) Schedule and bid Load, 4) respond to Dispatch and 5) submit Settlement Quality Meter Data.

## **V. Real-time Pricing Initiatives**

In a further effort to increase the responsiveness of load to real-time transmission system conditions, California State agencies have embarked on programs to implement real-time pricing ("RTP," also known as dynamic pricing). Through the CEC, the State has invested \$35 million in the installation of interval meters for retail customers with average electricity consumption of 200 kW and above. Installation of interval meters is a critical step towards establishing the infrastructure for RTP and other price responsive programs.

In cooperation with the CEC and CPA, the CPUC has opened a docket to establish policies and practices for advanced metering, Demand response, and dynamic pricing. The ISO has committed to working with these State agencies on this important effort. Acknowledging that customer flexibility is critical to participation in programs designed to enhance the reliability of the electricity transmission and distribution systems, this proceeding contemplates a comprehensive policy for participation by the different types of utilities within California. Working group meetings are being conducted as a part of the CPUC proceeding, which is scheduled to issue decisions in 2003.

## **VI. Demand Initiatives in MD02 Are Consistent With SMD**

The MD02 proposals reflect the ISO's commitment to establishing an effective Demand response by overcoming existing technical barriers to Load participation in ISO markets. Specifically, the MD02 proposal includes features that accommodate Demand-side bidding and will result in Demand resources being full and equal participants in the ISO markets. Among the MD02 features is the option to submit multi-part bids in the Day-Ahead, Hour-Ahead and Real Time Markets.

The July 17 Order, at Paragraphs 159 to 161, directs the ISO to submit a schedule and process for integrating Demand signals in its market design. The Demand response elements of MD02 are scheduled for implementation simultaneously with implementation of the integrated forward market, an element of MD02 Phase 2. For example, as noted above, the ISO PLP opened the non-spinning reserve, replacement reserve (AS) and Supplemental Energy Markets to Demand bids. The Energy from these ISO markets currently is subject to ten-minute Dispatch (*i.e.*, up to six incremental and/or decremental Dispatch instructions within each operating hour) and settlement of instructed and uninstructed Energy deviations from final Hour-Ahead Schedules based upon six ten-minute intervals within each hour.

The ISO has made certain accommodations to alleviate some of the barriers that Load confronts when seeking to participate in ISO markets. For example, the current ISO requirement for ten-minute Dispatch and settlement is problematic for Load. Accordingly, the ISO has waived the “no-pay” provision for capacity payments to Load and given Load a two-hour window to return to Schedule after ISO Dispatch. In addition, Demand resources are offered relaxed telemetry requirements compared to Generators. Specifically, while Generators providing Ancillary Services and/or with a generating capacity greater than ten (10) MW must provide telemetry at four-second intervals, Demand resources providing non-spinning reserve need only provide one-minute telemetry updates, replacement reserve from Demand resources requires only five-minute telemetry updates, and Supplemental Energy from Demand resources does not require telemetry. The minimum size for real time Dispatch is the amount allowed by the ISO’s Automated Dispatch System (ADS), i.e., 0.1 MW. Finally, individual Loads under one (1) MW may be aggregated as dispatchable Load.

Other accommodations include opportunities for larger Loads at the same bus to aggregate, and the ISO will consider justifications for aggregation of Loads of one (1) MW or more that are within local areas but on different buses (e.g., pumping loads within the same watershed or water delivery system) on a case-by-case basis. The ISO will continue these existing features, and believes that its Participating Load Program already meets most of the principles for Demand participation as set forth in the Commission’s SMD.

Sections 5.8.2.2 and 5.8.3 of the ISO’s May 1 MD02 filing identify several market design elements that facilitate Demand response, including submission of voluntary three-part bids (which are functionally equivalent to the recovery of start-up and minimum-load costs by Generators running in compliance with ISO Dispatch or the Must Offer Obligation plus Energy bids). The ISO proposes that the Demand resource bidder may elect to submit a multiple part bid, but is not required to do so. Critically, given that actual costs, similar to start-up and minimum-load costs of generators can be incurred by Participating Loads but are very difficult for the ISO to verify, the three-part bids submitted by Participating Loads will be market-based and not require verification of actual costs. Since the primary purpose for Scheduling Load is to satisfy needs and not to produce Energy (i.e., Load uses Energy to serve other purposes such as manufacturing and air conditioning as compared to Generators producing Energy to profit by selling it), Load resources would not be subject to the Must Offer Obligation to bid into the unit commitment process, unless they are identified as a capacity resource under a resource adequacy requirement. Thus, the bids submitted by Load would compete with generation for Dispatch through the Must Offer Obligation in the forward and Real Time Energy Markets. This will ensure that Demand resources and Generating Units receive comparable treatment in ISO

markets, while Demand resources benefit from more flexible requirements for market participation.<sup>2</sup>

In addition to allowing Participating Load to submit bids at either the bus or Load aggregation level, the ISO proposals for Scheduling and settlement of Load offer additional opportunities for Demand response to Day-Ahead and Hour-Ahead Energy prices, through aggregated scheduling. If a Load Serving Entity ("LSE") believes it has customers that will curtail or provide additional Load based on forward Energy prices, the LSE can include an Energy bid curve in its Load Schedule. Deviations from the resulting Energy schedule would be settled at the real-time Energy price.

---

<sup>2</sup> Examples illustrate how equivalents of start-up and minimum-load costs promote comparable treatment of load and generation resources. If a load has a recovery time after a curtailment before it can be back in operation, which is independent of how long the curtailment lasts, it could bid a start-up cost equal to its energy bid price times that recovery time. A load that needs two hours to restart its industrial process after a curtailment ends, regardless of the length of curtailment, could thus be compensated for a minimum of its recovery cost plus 0.5 hour of dispatched operation for a 30-minute curtailment, and for a minimum of its recovery cost plus 4 hours of dispatched operation for a 4-hour curtailment.

As with a generator, its cost recovery would be for market revenues plus any net-of-market start-up and minimum-load cost. If the load is un-dispatched after one hour but its bid has a minimum 4 hours "run" time plus a "start-up" cost equal to 2 hours recovery time times its energy bid, it would also have a minimum cost recovery equivalent to 6 hours times its bid price. In this example, if its bid price is \$50/MWh plus its start-up cost and the market clearing price (MCP) from 1 to 2 PM is \$200 and \$40 from 2 PM to 5 PM, it would be assured of least \$300/MW of cost recovery (6 hours times \$50) but would have received \$320/MW in market revenue (1 hour at \$200, plus 3 hours at \$40), so it would receive no additional revenue to cover its "startup" cost. At a lower MCP, there may be assured cost recovery that would be charged to the market as uplift. This is the same cost recovery as a CT that bid \$50/MWh, and has a 4-hour minimum run time and a \$100/MW startup cost.

The intent is to provide flexibility to loads in being dispatched in competition with other resources. In the above example, the load could bid a \$300/MW start-up cost, \$0 minimum load cost, and a \$0 energy bid that covers a 6-hour block time period, with the same result. The load could also use a minimum run time (i.e., minimum time off-line), instead of a fixed start-up cost, if it can perform its recovery during the curtailment and thus have a shorter recovery time after a longer dispatch. Alternatively, the load could bid a minimum-load cost per hour to curtail at all, and bid a different energy price for additional load shedding. Providing this flexibility to the LSE will be essential, and verification increasingly difficult for the ISO, in cases where the LSE uses an aggregation of load resources (e.g., air conditioning cycling on small end-use customers, combined with management of an industrial process) to support its bid.

In all the cases, the dispatch would have considered what is the most economical way of serving the overall energy need, and would dispatch the load resource if it were cheaper in total than other resources, including its startup and minimum-load cost. This will place a practical limit on loads bidding excessive start-up and minimum-load costs, since excessive bids could mean that the load resource would never be dispatched.



The following lists the ISO's proposals for improved opportunities for Load to respond to prices in the ISO's markets and to participate as Demand resources that augment supply resources:

- Load is eligible to be an Available Capacity (ACAP) resource, and so eligible to receive a capacity payment, or allow a LSE to avoid paying another supplier for ACAP capacity by using its own load as a capacity resource. Implementing a capacity obligation (using ACAP or an alternative structure) will give financial incentives to LSEs to develop Demand response programs so as to reduce their costs of maintaining adequate capacity reserves. These provisions are described in Section 5.1 of the MD02 filing of May 1, 2002 and in Attachment D of the ISO's MD02 June 17, 2002 filing, and also are a subject of ongoing discussion in stakeholder working groups.<sup>3</sup>
- Load is able to recover start-up and minimum-load costs through a unit commitment process. The MD02 proposals as filed would eventually limit recovery of start-up and minimum-load costs to ACAP resources, but the structure of both the ACAP and unit commitment proposals is among the topics of ongoing discussion in stakeholder working groups. The applicable bid components are described in Section 31.2.3.2.3.4.4 in Attachment A of the MD02 June 17, 2002 filing, and include minimum curtailment payment, minimum hourly payment, a multi-segment Energy bid curve, time required for curtailment, minimum duration of curtailment, maximum duration of curtailment, and ability to make intra-hour changes. The ISO is revising this specific proposal in response to the Commission's October 11, 2002 order on the MD02 proposal, 101 FERC ¶ 61,061(2002).
- Load can participate in the Day-Ahead Market, allowing Demand resources to commit to reduce Load at a price established early enough to permit commercial and industrial consumers to schedule daily production appropriately. This flexibility permits a Load to signal through its bid the price it must receive to reduce normal Energy use, and, in the alternative, to signal that it will consume additional Energy should Energy be available at a lower price. At present, Load can deviate from its Schedule and be settled at real-time prices for uninstructed deviations, but real-time prices are too unpredictable to allow advance planning and certainty to prevent business disruptions. Thus, the new Day-Ahead Market offers new opportunities for Demand response because the price is known in advance and Load

---

<sup>3</sup> The citations provided herein to sections of the ISO tariff should not be interpreted as being the only applicable sections.

curtailments (or increases) can be planned in advance. This bidding opportunity is described in Section 31.2.3.2.3.4 and in the Schedules and Bids Protocol, in Attachment A of the MD02 June 17, 2002 filing.

- Load can participate in the Hour-Ahead Market, allowing price responsiveness under certain daily conditions, if curtailability is uncertain in the Day-Ahead Market. The mechanics for this market participation are the same as for the Day-Ahead Market.
- Load benefits from moving the close of the Hour-Ahead Market from two hours before real time to one hour before real time. This change improves the ability for LSEs to operate their own Load management programs, and to reflect such self-management through revised Hour-Ahead Schedules. Allowing Schedule revisions closer to the operating hour will enhance the ability of Participating Loads to respond to both real-time system needs and their own operating needs. This change is proposed in Section 2.2.13.1 in Attachment A of the MD02 June 17, 2002 filing.
- Load can participate in the Real Time Market, thereby 1) receiving the real time price, 2) receiving the ability to be pre-Dispatched in competition with other inflexible resources like inter-ties and Combustion Turbines, and 3) being assured of recovering cost-based start-up costs, a minimum of its bid price for Energy, and operation for the applicable minimum run time. Bids for the Real Time Market are carried over from the Hour-Ahead market, pursuant to Section 2.5.22.4 in Attachment A of the MD02 June 17, 2002 filing.
- Load that can respond to ten-minute Dispatch Instructions can receive the real-time price during the highest-cost intervals. Section 31.2.3.2.3.4.4.4 in Attachment A of the MD02 June 17, 2002 filing allows Demand resources to designate whether or not they wish to be considered "hourly only" or to participate in intra-hour dispatch.
- Load can offer response to locational price variations through the Day-Ahead, Hour-Ahead and Real Time Markets. Load may bid into the ISO's markets using either standard Load aggregations or customer aggregations established by LSEs (including bids at individual nodes), as provided in Section 31.2.3.2.1 in Attachment A of the June 17, 2002 MD02 filing in the above-referenced dockets.
- Load can continue to participate in Ancillary Service Markets, thus receiving a capacity price for providing non-spinning reserve.

- The ISO will continue to relax telemetry requirements for Loads providing non-spinning reserve (one-minute updates from the participating Load to the Scheduling Coordinator's server, as opposed to four-second updates from generators) and waive telemetry requirements for Supplemental Energy. Only interval metering and ability to receive Dispatch Instructions is necessary to supply Supplemental Energy. For participation in the Day-Ahead and Hour-Ahead Energy Markets, only the separate reporting of Energy metering is needed, at the level at which the price response is offered, using metering requirements established by the Local Regulatory Authority.
- Load can execute a Participating Load Agreement by a LSE establishes the requisite processes for settlement, as is initially conducted between the ISO and Scheduling Coordinators, to extend to settlement with LSEs and ultimately to end-user Loads.

## **VII. Other Independent System Operator Demand Response Programs**

As a part of its own process for developing Demand Programs and strategy, the ISO has participated with other independent system operators to share knowledge, experience, and lessons learned. Certainly all such entities confront similar challenges, including, for example, conducting baseline calculations, developing technical solutions for Loads to meet the needed telemetry and metering requirements, facilitating aggregator intervention, deciding upon appropriate subsidies and/or penalties for non-performance, selecting among market-based or emergency programs, determining proper treatment of back-up generation, and establishing the details of interaction with LSEs and meter data collection. The ISO has participated in meetings of the Peak Load Management Alliance to share its experience and to learn about the Demand response program development efforts of other entities.

For example, New England's Real Time Demand Response and Real Time Price Response Programs were very successful in 2002, yielding 107.3 MW and 75.6 MW, respectively. Both of these programs involved either special payments or payment floors for program participation, and these payments are restricted to the Demand Programs. As noted earlier, the ISO provided special subsidies in its Demand Relief Program and Discretionary Load Curtailment Program, but through the PLP and the MD02 proposals the ISO has shifted the focus to only market-based products. The ISO is concerned that special subsidies for Load participation are not consistent with the SMD but will continue to monitor the two programs in New England. Moreover, the ISO will monitor two new programs supported by the new "New England Demand Response Initiative" named the Day Ahead Demand Response Program and the Real Time Profile Response Program.

### **VIII. Demand Participation in Spinning Reserve Market**

Market Participants have been able to bid Loads into the Non-Spinning Reserve Market since the inception of the PLP in 1999. As noted above in the discussion of MD02 elements, the ISO modified certain requirements for participation in this market to help facilitate participation by Load, including exempting Load from certain applications of the No-Pay provisions. Also, beginning in 2000, the ISO has allowed resources bidding reserves to bid with a contingency flag that removes them from the bid stack until the ISO experiences reserve shortages. This feature is an incentive for Load participation because it results in fewer curtailments.

The ISO is required to comply with the Western Electricity Coordinating Council Minimum Operating Reserve Criteria ("MORC"). The MORC defines Spinning Reserve as "unloaded generation that is synchronized and ready to serve additional demand". This definition implies a spinning mass that is instantaneously responsive to a deviation in system frequency, which Load is not. Currently there are no methods by which to measure real-time frequency response of a particular Load to changes in system frequency. Such a response only can be measured after the fact, and thus cannot be counted as Spinning Reserve. This is the reason that the ISO has encouraged participation in the Non-Spinning Reserve Market but not the Spinning Reserve Market. The ISO notes that the Alberta Transmission Administrator has several Demand relief programs in which Loads participate for payment, including automatic under-frequency relaying, but none of these participating Loads are calculated as a portion of Spinning Reserve. Finally, the ISO is involved in North American Electricity Reliability Council ("NERC") subcommittee deliberations on Frequency Responsive Reserves, including consideration of provisions to allow Load to participate in such a market. Once the NERC final decisions are made, the ISO will implement the new opportunities for Load participation in the Frequency Responsive Reserves.

### **IX. Conclusion**

Over the past three years of Demand Response Development, the ISO has worked extensively with Market Participants and State agencies to promote additional Demand response in California. The development and implementation of new programs in 2000 and 2001 provided both experience and a foundation for future program development and strategy. The ISO has closely followed the Commission's SMD efforts and incorporated features into the MD02 that are

The Honorable Magalie Roman Salas  
October 21, 2002  
Page 13 of 13

consistent with the SMD Demand response features. The ISO believes that the MD02 Demand Response elements, as detailed in this Report, will significantly enhance Demand participation options in the electricity markets in California.

Two additional copies of this report are enclosed, along with the original, to be date-stamped and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned. Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles F. Robinson", with a stylized flourish at the end.

Charles F. Robinson  
Margaret A. Rostker  
Counsel for the California Independent  
System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630

Dated: October 21, 2002

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the Report of Demand Response upon each person designated on the official service list compiled by the Secretary in the above-captioned docket.

Dated at Folsom, California, on this 21st day of October, 2002.

  
Margaret A. Rostker