

July 31, 2017

California Public Utilities Commission
Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Comments of the California Independent System Operator Corporation (CAISO) on Draft Resolution E-4867. Approval of the Database for Energy-Efficient Resources (DEER) updates for 2019 and, revised versions 2017 and 2018 in Compliance with D.15-10-028, D.16-08-019, and Resolution E-4818

The CAISO appreciates the Commission's recognition of the importance of adjusting the Database for Energy-Efficient Resources (DEER) peak period definition to align with grid operations and planning. The CAISO will participate in the new working group process. The CAISO has conducted extensive analysis on the later shift in the peak hour and can provide this to the working group. Specifically, the CAISO provided a net load analysis of historical and future years into the Commission's 2016 rulemaking to assess peak electricity usage patterns and consider future time-of-use rate periods.¹ Recently, the CAISO updated the Availability Assessment Hours for system and local resource adequacy to be effective in 2019.² The Availability Assessment Hours are required to be a pre-defined set of five consecutive hours for each month that –

- (A) correspond to the operating periods when high demand conditions typically occur and when the availability of Resource Adequacy Capacity is most critical to maintaining system reliability;
- (B) vary by season as necessary so that the coincident peak load hour typically falls within the five-hour range each day during the month, based on historical actual load data; and

¹ Order Instituting Rulemaking to Assess Peak Electricity Usage Patterns and Consider Appropriate Time Periods for Future Time-of-Use Rates and Energy Resource Contract Payments, Rulemaking 15-12-012.

² The CAISO presented this analysis at a stakeholder webinar on June 6, 2017. The presentation is available at: http://www.caiso.com/Documents/AgendaandPresentation_2018AnnualReviewofAvailabilityAssessmentHoursJun6-2017.pdf CAISO tariff section 40.9.3.1 requires the CAISO to annually "establish and publish in the Business Practice Manual the Availability Assessment Hours applicable for resources providing local and/or system Resource Adequacy Capacity for each month of that year." For 2018, CAISO will file a one-time waiver to allow the current assessment hours to be retained for 2018 as a transition year.

(C) apply to each Trading Day that is a weekday and not a federal holiday. In compliance with this tariff provision, the CAISO sought to establish Availability Assessment Hours for 2018 based on its analysis of historical peak load hours.

The results of the analysis indicate that coincident peak load hours have shifted later in the day during summer months, defined as the period from April 1 through October 31, in large part due to the penetration of behind-the-meter photovoltaic resources. CAISO believes that aligning the DEER peak definition will encourage the most cost- and operationally-effective energy efficiency.

Regards,

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