

Comments of Southern California Edison Company on the California ISO Draft Demand Response and Energy Efficiency Roadmap: Making the Most of Green Grid Resources

| Submitted by | Company | Date Submitted |
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A. Introduction

Southern California Edison Company (SCE) appreciates this opportunity to provide stakeholder input on the California Independent System Operator’s (ISO) Draft Demand Response (DR) and Energy Efficiency (EE) Roadmap: Making the Most of Green Grid Resources (“Roadmap”).¹ SCE is pleased by the improvements that have been made so far based on stakeholder feedback received. Moving forward, the Roadmap will require ongoing dialogue and collaboration among the stakeholders to which SCE looks forward to participating in. SCE provides the following comments on two of the four paths described in the Roadmap: (1) Load Reshaping; and (2) Operations Path.

B. Comments

1. Load Reshaping Path

a) Align Retail Signals With Grid Conditions

A portion of the Load Reshaping Path of the Roadmap, seeks to align retail signals with grid conditions. As the Roadmap points out, this will require customers to “respond quickly and directly...without requiring an explicit instruction from an intermediary such as the LSE, distribution utility, or the ISO.” The ISO recognizes that achieving this objective of the Roadmap will require technology, policy reform, and active customer participation. SCE finds that the unscheduled activity to achieving this objective as indicated on the Load Shaping Path is the most reasonable approach since significant end-use investments will be needed to ensure that retail customers have the technology necessary to align themselves with the new tariff options that have yet to be developed past 2016. Furthermore, as noted in the Operations Path of the ISO’s Roadmap, coordination will be necessary to ensure that this does result in problems to the local distribution system.

The Roadmap also discusses the need for the ISO to conduct pilots in 2015-2016, however it is unclear as to what types of pilots the ISO will be conducting. The Load Reshaping Path indicates collaboration with the CPUC and

¹ <http://www.caiso.com/Documents/Draft-ISODemandResponseandEnergyEfficiencyRoadmap.pdf>

IOUs, so the outcome of these pilots will be instrumental in determining the effectiveness of the approach to align retail signals with grid conditions and should be required before the ISO further develops this objective. SCE requests more transparency with the ISO in the intent and design of these pilots.

2. **Operations Path**

SCE agrees with the Roadmap's approach to review the lessons learned and to investigate needed changes to market policy and DR models, once the ISO gains experience with DR resources operating in its wholesale market. This should be a fundamental step before increasing the complexity of DR operating within the ISO's market. As noted in the Roadmap, this will require ISO operators to coordinate with distribution system operators to ensure that the central or localized dispatch of DR resources does not negatively impact local distribution systems.

a) **Reliability DR Resource (RDRR)**

The ISO notes in the Roadmap that it plans to re-file with FERC its RDRR tariff amendment consistent with FERC's Order 745. SCE is pleased by this and requests that the ISO maintain the planned RDRR implementation schedule as indicated in the Operations Path so that SCE will have the opportunity to integrate some of its retail programs into RDRR in 2014.

b) **Participating Load Model**

SCE is encouraged by the ISO's willingness to adapt the non-generating resource (NGR) model to enable participating load to be a dispatchable demand resource (DDR). However, it appears from the Roadmap that the timing of this effort may be circumvented by other stakeholder catalog items. SCE recommends that the ISO continue this as a priority.

c) **DR Resource Registration Process**

As noted in the Roadmap, the ISO's current DR resource registration process is time-consuming and prevents participation by DR programs with large numbers of participating customers (i.e., SCE's residential air-conditioning cycling program). SCE is pleased that the ISO intends to streamline the current process through an automated interface which is expected for completion in 2014. SCE recommends that this effort continue to be a priority of the ISO.

d) **New Enabling Technology**

As noted above, significant investments will be necessary to enable certain types of DR participating in the ISO market. SCE is encouraged by the ISO's commitment to support the CPUC in the next DR and EE cycles for programs that facilitate and encourage customer adoption of enabling technology.

e) **Metering and Telemetry**

SCE is encouraged by the ISO's recognition that its current metering and telemetry requirements have not leveraged the capabilities and models that new

technology enables at a much lower costs than the traditional approach. SCE requests that the ISO continue without delay its 2013 stakeholder process to evaluate the expansion of metering and telemetry options.

C. Conclusion

SCE appreciates the efforts of the ISO in developing a thorough Roadmap that will allow for preferred resources to contribute to a reliable grid while reducing the need to rely on conventional resources. SCE looks forward to continuing the dialogue and collaboration as this Roadmap is developed further.