Southern California Edison Comments on CAISO Proposals for Metering Generator Output and Type II Baselines

September 2015

1. Metering Generator Output

SCE has concerns with allowing the Generation Offset Only option into the market for any Demand Response Provider.

First, the assumption that behind-the-meter generation necessarily displaces consumption of grid power, watt for watt, is not supported by fact. Customers in DR programs may not always provide the full expected load reduction, and may be penalized based on the structure of the contract or tariff on which they are enrolled.

Second, generators that dispatch on a frequent (even daily) basis for non-DR purposes, such as peak-shaving for demand charge reduction, should not have their normal activity counted as DR for settlement purposes; only that generation over and above ordinary levels should count as DR. The AMS/Hybrid proposal for its contracts in SCE's Local Capacity Resource procurement addresses this by providing baseline data to show ordinary usage, and calculating reduction based on both the net and generation meter data.

If the Generation Offset Only option is allowed, SCE requests that DRPs using it provide baseline data to demonstrate net benefit to the grid, with only that generation over and above the baseline counted for the purposes of calculating DR payments.

2. Type II Baselines

SCE supports the use of sampling methodology to overcome barriers to obtaining 15-minute data from all sites registered in a given DR resource. In particular, SCE has a sizable number of residential Summer Discount Plan customers with SmartConnect meters that record data only in hourly intervals, rather than the 15-minute standard. Using statistically identical customers with 15-minute meters as proxies for customers with hourly-only meters is a cost-efficient alternative to upgrading hourly-only meters, especially if an upgrade requires a site visit and possible meter swap. SCE has no objections to submitting a work paper demonstrating the statistical soundness of any sampling methodology it adopts.