

Stakeholder Comments Template

Subject: RAAIM Exemption for Demand Response

Submitted by	Company	Date Submitted
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SDG&E's Comments on the CAISO's proposal for the RAAIM Exemption.

Tariff language

SDG&E response:

CAISO states "Demand Response Resources whose Qualifying Capacity is established using an effective load carrying capability methodology (as that term is used in Section 399.26(d) of the California Public Utilities Code, or a successor provision) or a methodology that the CAISO determines in its sole discretion is substantially similar to the effective load carrying capability methodology.¹ SDG&E would like to ask CAISO to remove the "sole discretion" language from the tariff as the CEC-led workshop has not occurred yet.

Furthermore, OP11 of the CPUC's proposed decision states, "*the Commission request that CEC launch a working group process in the 2021 IEPR to develop recommendations for a comprehensive measurement and verification (M&V) strategy for DR, including a new DR QC methodology addressing ex post and ex ante load impacts for the 2023 compliance year and submit recommendations to the Commission*".²

Therefore, SDG&E believes that the purpose of the workshop should be to research the best and more accurate approach to determine the QC values for 2023 and beyond.

Additionally, the tariff language should explicitly limit the use of CAISO's ELCC methodology to 2022. According to the Assigned Commissioner's Ruling (ACR) on ELCC "*Consideration of the study results is subject to the following conditions: (1) the ELCC-determined QC would only be applicable for the 2022 compliance year, and would only apply to IOU DR programs (not to third-party DR); (2) potential adoption for 2022 does not indicate Commission preference for ELCC or any other QC methodology; and*

¹ Resource Adequacy Availability Assessment Mechanism (RAAIM) Exemption Option for Variable-Output Demand Response Valued Under an Effective Load Carrying Capability (ELCC) or Similar Methodology p. 10-11 June 10th, 2021.

² Decision Adopting Local Capacity Obligations for 2022-2024, Flexible Capacity Obligations for 2022, and Refinements to the Resource Adequacy Program. May 21st, 2021. P.69-70 Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M385/K021/385021548.PDF>

(3) adoption of any ELCC-determined QC for 2022 must occur in early September 2021 to allow sufficient time for final RA allocations in mid-September 2021.”³

Proposed CAISO tariff change may be in conflict with the CPUC’s Track 3 RA proceeding timeline

SDG&E response:

SDG&E notes there may be conflicts in timing for implementing new QC methodologies. The CEC report is due on March 18th, 2022 for its recommendations on the seven issues identified in OP11. Those changes will be recommended and implemented after the 2023-2027 DR Application is filed in November 2021.

³ Assigned Commissioner’s Ruling on Submission of Refreshed ELCC Study Results p.3-4 June 3rd, 2021.