

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
California Independent System Operator Corp.  
Docket No. ER11-3616-000

**August 26, 2011**

Sean A. Atkins  
Bradley R. Miliauskas  
Alston & Bird LLP  
The Atlantic Building  
950 F Street, NW  
Washington, DC 20004

Dear Messrs. Atkins and Miliauskas:

On May 20, 2011, the California Independent System Operator (CAISO) filed tariff revisions to implement its Reliability Demand Response (RDR) proposal. Please be advised that CAISO's submittal is deficient and additional information is necessary to process the filing.

In order to better evaluate CAISO's proposal, staff requires that the following information be provided:

- (1) CAISO states that the RDR program will "enable retail emergency triggered demand response programs...to be integrated into [CAISO] markets and operations."<sup>1</sup> We also note that the cited settlement agreement includes a provision describing such emergency trigger.<sup>2</sup> However, the submitted tariff provisions do not make clear when an RDR resource would be subject to dispatch. Please explain, with reference to specific tariff provisions, under what circumstances would resources registered under the RDR program be "emergency triggered." Please submit any necessary tariff revisions.

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<sup>1</sup> CAISO May 20, 2011 Transmittal Letter at 1 (Transmittal Letter).

<sup>2</sup> Reliability-Based Demand Response Settlement at 4, available at <http://docs.cpuc.ca.gov/efile/MOTION/114111.pdf>.

(2) CAISO states that RDR resources are composed of investor-owned utilities' reliability-based demand response programs.<sup>3</sup> However, Staff notes that CAISO's proposed definition for "Reliability Demand Response Resource" is identical to the definition of "Proxy Demand Resource." Both definitions refer to the "Demand Response Provider Agreement." Although that agreement provides additional requirements for a proxy demand resource that chooses to provide ancillary services, the agreement does not make a meaningful distinction between RDR resources and Proxy Demand Resources. Please explain why the tariff definitions for these resources are identical if they represent different types of demand response resources. Also, please submit any tariff revisions if necessary.

Please submit seven copies of your response to the information requested within 30 days of the date of this letter. Submit six copies of your response to the following:

Federal Energy Regulatory Commission  
Office of the Secretary  
888 First Street, N.E.  
Washington, DC 20426

Also, please send the seventh copy to Marion Whitaker (202-502-8264). Response to this letter will constitute an amendment to your filing, and a notice will be issued upon receipt.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this deficiency letter within the time period specified may result in an order rejecting your filing.

This order is issued pursuant to the authority delegated to the Director, Division of Electric Power Regulation – West, under 18 C.F.R § 375.307(a)(1)(v) and is interlocutory. This order is not subject to rehearing pursuant to 18 C.F.R § 385.713.

If you have any questions regarding this letter order, please contact Marion Whitaker at (202) 502-8264.

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<sup>3</sup> Transmittal Letter at 5 n.9.

Sincerely,

Steve P. Rodgers, Director  
Division of Electric Power  
Regulation – West

cc: All Parties