

Comments on Reliability Demand Response Minimum On Time Draft Final Proposal

Department of Market Monitoring

December 28, 2023

The Department of Market Monitoring (DMM) appreciates the opportunity to comment on the *Reliability Demand Response Minimum On Time – Draft Final Proposal*. This narrowly scoped initiative proposes a change to the current requirements for the minimum on time value of reliability demand response resources (RDRRs).¹ DMM supports the proposed change to allow RDRRs to have a combined start-up time and minimum on time of up to 255 minutes, rather than requiring RDRRs to have a minimum on time of no more than one hour.

In June 2023, the California Public Utilities Commission (CPUC) clarified that RDRRs may be enabled during an Energy Emergency Alert (EEA) Watch, rather than only an EEA 2 or EEA 3. In response, stakeholders voiced concerns that RDRRs may be dispatched more frequently, which could lead to customer attrition.² The Reliability Demand Response Minimum On Time initiative proposes a change to more accurately reflect the physical operating characteristics of RDRRs so they can be optimally dispatched. Specifically, the proposed tariff changes would allow RDRRs to have a combined start-up time and minimum on time of up to 255 minutes, compared to the current requirement that RDRRs must have a minimum run time of no more than one hour.

DMM's understanding is that if RDRRs are able to reflect longer minimum on times, discrete RDRRs may be less likely to be economically dispatched because the real-time market optimization considers how long resources must remain on after dispatch. Reflecting longer minimum on times may also provide additional information to operators when making exceptional dispatch decisions, but may not ultimately affect the likelihood of dispatch when RDRRs are needed in emergency situations. In either case however, the proposed change ensures that when RDRRs are started, they will be called for a minimum time that may more closely represent the characteristics of the resource.

DMM agrees that allowing RDRRs to have longer minimum on times provides an operational benefit if the parameters accurately reflect the characteristics of these resources. However, DMM highlights that scheduling coordinators and the ISO need to ensure the accuracy of reported minimum on time parameters. It is important that scheduling coordinators are submitting accurate information so that RDRRs do not avoid dispatch as the result of inaccurately high minimum on time in the ISO's Masterfile.

¹ Reliability Demand Response Resource Minimum On Time, Issue Paper:
<https://www.caiso.com/Documents/IssuePaper-DraftFinalProposal-ReliabilityDemandResponseResourceMinimumRunTime-Dec04-2023.pdf>

² CPUC Decision (D.) 23-06-029, pp 93-94
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M513/K132/513132432.PDF>