



California ISO
Your Link to Power

California Independent
System Operator Corporation

Update on Demand Response

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**Market Surveillance Committee Meeting/
Stakeholder Meeting**

Stakeholder Meeting

June 6, 2007

CPUC's Demand Response Rulemaking

- **Four Topics Being Considered:**
 - Protocols for Estimating Load Impacts of DR
 - Methodologies to Determine Cost Effectiveness
 - Set DR Goals for 2008 & Beyond
 - Consider Modification to DR Programs to Support the CAISO's Efforts to Incorporate DR into MRTU

Phases of CPUC DR Rulemaking

- **Phase 1: Load Impact and Cost Effectiveness**
 - Decision February 2008

- **Phase 2: DR Goals for 2008 & Beyond**
 - Decision March 2008

- **Phase “TBD”:** DR Integration into MRTU

Demand Resources Working Groups

- **DR Participation in MRTU Release 1**
- **DR Participation in MRTU Release 1a**
- **Demand Resource Product Specification**
- **Infrastructure for Demand Resources**
- **Vision for Demand Resources**

DR Participation in MRTU Release 1

- **Objective:**

- *Resolve how existing DR programs will be “operationalized” under MRTU Release 1 to contribute to market efficiency, enhance reliability and prevent double procurement in RUC. This will not require any changes to the MRTU software or tariff.*

- **Deliverable:**

- Users guide explaining how each existing DR program can participate in MRTU R1 and functional requirements specification published by Nov '07.

DR Participation in MRTU Release 1a

- **Objective:**

- *Determine how demand resources will be modeled and fully integrated into the wholesale electricity markets and CAISO grid operations. This could involve changes to the MRTU software and tariff.*

- **Deliverable:**

- Comprehensive users' guide and functional specification explaining how DR resources will be modeled and integrated into the wholesale electricity markets and grid operations published by July 2008.

Demand Resources Product Specification

■ Objective:

- *To define the specific requirements and specifications for Demand resource products to meet the CAISO's wholesale market requirements. This will include research regarding how demand resources might provide additional products and services into CAISO markets.*

■ Deliverable:

- Specific recommendations regarding how to open markets for new DR products (November 2007).

Infrastructure for Demand Response

- **Objective:**

- *Advance the development of integrated infrastructure to facilitate Demand Resources in MRTU.*

- **Deliverable:**

- Provide recommendations on changes to infrastructure of CAISO MRTU, IOU's, aggregators and end-users to advance DR in MRTU. This may include standards to be considered by the CEC (Spring 2008).

Vision for Demand Resources

- **Objective:**
 - *Establish a shared vision for demand resource development that addresses the needs of end-users, providers, markets and grid operations.*

- **Deliverable:**
 - A vision statement and accompanying guiding principles that provide a foundation for assessing demand resources.



Working Group Process & Administration

■ Process

- Identify leaders/sponsoring agency for each working group
- Solicit participation through CAISO market notice and possible notification through CPUC service list

■ Administration

- Individual leaders responsible for organizing set of meetings and further refinement of objective, tasks and deliverables
- Organize space on CAISO website to facilitate working group information & postings
- Calendar working group meetings and agendas on ISO calendar