

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Advance  
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-005  
(Filed July 14, 2022)

**POST-PREHEARING CONFERENCE STATEMENT OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**I. Introduction**

Pursuant to the Administrative Law Judge's September 1, 2022 ruling in this proceeding, the California Independent System Operator Corporation (CAISO) submits this post-prehearing conference statement on the proposed preliminary scope and schedule.

**II. Discussion**

The CAISO supports the direction of the Commission's Order Instituting Rulemaking and commends Energy Division's Demand Flexibility Whitepaper. The strategies proposed therein will leverage wholesale market prices to inform dynamic retail rates. The CAISO also generally supports the categorization, scope, and schedule set forth in this proceeding to design those rates. As the CAISO and several parties noted in the prehearing conference, however, better rates can only come from better data.<sup>1</sup> For this reason the CAISO requests that the scope expressly include a line-item early in Phase I, Track B, to identify the data requirements of this proceeding. Before designing ratemaking principles and rates themselves, parties to this proceeding must identify how to measure the underlying drivers of load response and evaluate

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<sup>1</sup> The CAISO also described the data needs of dynamic rates in its Opening Comments on the Order Instituting Rulemaking filed August 15, 2022.

the effectiveness of dynamic retail rates, including why end users do not always respond to dynamic rates. The Commission also should coordinate data requirements with the California Energy Commission (CEC) for long-term forecasting and with the CAISO and distribution utilities for operations. The CAISO recognizes there are many complex and interrelated issues in scope, but it encourages the Commission to adhere to its schedule and seek to conclude Phase 2 before the end of 2024 so ratepayers and stakeholders can reap the advantages of dynamic rates as soon as possible.

### **III. Conclusion**

The CAISO appreciates the opportunity to comment on the proposed categorization, scope, and schedule in this proceeding.

Respectfully submitted

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