

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

Order Instituting Rulemaking Regarding
Application of Southern California Edison
Company (U 338-E) for Approval of
Demand Response Programs, Goals and
Budgets for 2009- 2011.

Application 08-06-001
(Filed June 2, 2008)

And Related Matters.

Application 08-06-002
Application 08-06-003

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION REGARDING THE PROPOSED DECISION OF ALJ HECHT
GRANTING IN PART THE PETITION OF PACIFIC GAS AND ELECTRIC
COMPANY TO MODIFY DECISION 09-08-027**

The California Independent System Operator Corporation (ISO) generally supports the proposed decision of Administrative Law Judge Hecht granting in part the petition of Pacific Gas and Electric Company to modify Decision 09-08-027, and hereby requests that the final decision include certain corrections to the statements and findings of fact in the proposed decision.¹

The suggested corrections by the ISO relate either to the current status of proxy demand resource or the current status of the investor owned utilities' ability to participate in proxy demand resource. As of August 10, 2010, the ISO fully implemented proxy demand resource and it is now open to all eligible participants, including investor owned utilities. However, to date CPUC rules prohibit investor owned utilities from directly participating with bundled customers in proxy demand resource on a non-pilot basis. Below the ISO offers four specific suggested edits for consideration with respect to implementation of these requested clarifications.

¹ *Administrative Law Judge's Proposed Decision*, Application 08-06-001 and related matters, dated November 15, 2010.

Proposed Decision, Section 5:

Page 7: The CAISO tariffs received conditional approval from FERC on July 15, 2010, ~~but PDR has not yet been implemented, and likely will not be implemented until sometime in 2011~~ and the CAISO implemented PDR on August 10, 2010.

Page 9: The CAISO's PDR product is ~~not yet in~~ now in operation, ~~but the IOUs have little experience with PDR pending authorization by the CPUC to participate on a non-pilot basis.~~

Proposed Decision, Findings of Fact:

15. ~~CAISO's PDR product is not yet available through CAISO markets~~ The IOUs have little experience with PDR pending authorization by the CPUC to participate on a non-pilot basis.

20. Neither the CPUC PDR rules nor the CPUC rules for Direct Participation of DRPs in CAISO markets have yet been finalized.

Respectfully submitted,

By: /s/ John C. Anders

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System Operator Corporation

Dated: December 6, 2010

CERTIFICATE OF SERVICE

I hereby certify that on December 6, 2010 I served, by electronic and United States mail, a copy of the foregoing Comments of the California Independent System Operator Regarding the Proposed Decision of ALJ Hecht Granting in Part the Petition of Pacific Gas and Electric Company to Modify Decision 09-08-027, to each party in Docket Nos. A.08-06-001, A.08-06-002, and A.08-06-003

Executed on December 6, 2010 at
Folsom, California

Anna Pascuzzo

Anna Pascuzzo,

An employee of the California
Independent System Operator
Corporation