

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

Application of Southern California Edison Company (U338-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
TO PROPOSED DECISION ADOPTING BRIDGE FUNDING FOR 2009
DEMAND RESPONSE PROGRAMS**

The California Independent System Operator Corporation (“CAISO”) submits these comments to voice its support of the Proposed Decision Adopting Bridge Funding for 2009 Demand Response Programs. The Proposed Decision addresses the investor owned utilities’ (IOUs) joint motion, filed September 5, 2008, requesting funding and authorization to operate demand response programs and pilots in 2009.¹ The Proposed Decision allows the IOUs to expend funds to continue most of the 2008 demand response programs until the Commission adopts a final decision on the IOUs’ demand response applications for 2009-2011, and, most importantly from the CAISO’s perspective, authorizes several pilot programs to test the use of demand response to provide participating load to the CAISO.² The delineated programs and budget amounts which the Proposed Decision authorizes is set forth in Section 6.5 of the decision.

The Proposed Decision is pragmatic and its reasoning is well articulated. In particular, the CAISO agrees with the following points noted in the decision:

¹The Proposed Decision refers to this motion by Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”) and San Diego Gas & Electric Company (“SDG&E”) as the “Bridge Funding Motion” (Proposed Decision at p. 4.)

² See, e.g., Proposed Decision, Section 1, Summary, at p. 2, Section 5, Decision of the Need for Bridge Funding at p. 15, and Section 6.2, Adoption of Pilots for Summer 2009 at p. 18.

1. The parties agree that bridge funding is needed to ensure that no disruption occurs when authorization for demand response programs and funding expires at the end of 2008, and it is in the public interest to provide a smooth transition for programs which are likely to continue into 2009 and beyond. (PD at p. 15)

2. Commission precedent for adopting bridge funding exists with respect to IOU energy efficiency programs, and it is reasonable to follow this precedent with respect to existing demand response programs. (PD at p. 15.)

3. There is strong rationale to authorize immediate approval of pilot programs intended to operate in summer 2009, and this rationale is strongest for the MRTU-related Participating Load pilots. (PD at p. 15.); and

4. No parties have raised objections to the Commission authorizing the MRTU-related pilots, and, indeed, many parties have expressed strong support for implementing them as soon as possible. (PD at p. 17.)

The CAISO urges that the Commission adopt the Proposed Decision.

Dated: December 8, 2008

Respectfully submitted,

CALIFORNIA INDEPENDENT SYSTEM
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By: /s/ Baldassaro "Bill Di Capo" //

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CERTIFICATE OF SERVICE

I hereby certify that on December 8, 2008. I served on the parties listed on the Service List for Proceeding A.08-06-001 et al, by electronic mail, a copy of the foregoing Comments of the California Independent System Operator to Proposed Decision Adopting Bridge Funding for 2009 Demand Response Programs.

Executed on December 8, 2008 at Folsom, California

/s/ Anna Pascuzzo

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