

Stakeholder Comments Template

Subject: Reliability Services

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Second Revised Draft Straw Proposal for the Reliability Services initiative that was posted on October 22, 2014. Upon completion of this template please submit it to RSA@caiso.com. Submissions are requested by close of business on **November 19, 2014**.

1. Please provide feedback on Part 1: Minimum eligibility criteria and must-offer rules.

EnerNOC appreciates the recent clarifications from CAISO on the minimum eligibility criteria and must-offer rules for Proxy Demand Resource (PDR). One issue we were not aware of, however, was that CAISO was anticipating setting limits on the time period for a “non-environmental use limit reached” outage card for PDR, and potentially only allowing the outage card to be in place for 24-48 hours. Based on our experience, this will be problematic for most customers, particularly manufacturing and agricultural customers who will not be able to perform consistently over multiple days. In our opinion, this requirement may lead to a revamp of the demand response customer set to only a small subset of customers who could respond to this scenario.

Since we seldom see our programs dispatched for more than two consecutive days due to the serious impacts of fatigue on demand response customers, we do not have analytical data to support the need for more than 24-48 hours. We do, however, have an abundance of information from customers who assert that they cannot perform on day 2 or 3 of consecutive dispatch as they are already behind on production after a day of dispatch in the same week. There are certain customers who might be able to perform multiple days in a row, such as water districts, however in those cases the M&V encourages multiple consecutive days.

So our initial take is that after being dispatched for three days in a row, customers will need longer than 24-48 hours to recover before being available for dispatch, assuming the resource has not yet met its 24 hours per month requirement. However, other factors may come into play when assessing this. For example, it may make a difference whether the outage card is submitted early in a month as opposed to after many hours of dispatch. It

may also make a difference which day of the week the outage falls on and which month of the year. If the choice is only between 24 or 48 hours, our preference is for 48 hours, but it's unclear why this requirement is necessary since there is already a 24 hour per month requirement. As long as PDR resources meet the 24 hours per month requirement, and the three consecutive day requirement, why is it also necessary to require that there only be a small window of time between dispatches?

EnerNOC also has concerns about the requirement that PDR participate in RUC. The current proposal indicates that if PDR does not receive a day-ahead award it is put into RUC with a zero offer price. It will then be considered in RUC along with resources that have start-up and no-load costs, so PDR could be selected first in every case. This is not a logical outcome for use-limited resources. Absent a mechanism to provide opportunity costs for PDR, it is EnerNOC's preference that PDR be exempt from RUC.

If RUC continues to apply to PDR, we need a better understanding of the distinction between long and short start PDR resources. It is our initial understanding that long start resources are typically in the range of 5-8 hours while short start are two hours or less, but it would be helpful to understand where that definition is in the tariff and how it applies to PDR.

2. Please provide feedback on Part 2: Availability Incentive Mechanism.

EnerNOC appreciates the recent clarification that a PDR that exceeds the 98.5% upper availability threshold on a monthly basis would be entitled to an incentive payment.