

COMMENTS OF ENERNOC, INC TO CALIFORNIA INDEPENDENT SYSTEM OPERATOR REGARDING THE DRAFT ISSUES PAPER ON DEMAND RESPONSE DIRECT PARTICIPATION

EnerNOC, Inc. (“EnerNOC”) appreciates the opportunity to comment on the CAISO’s Draft Issue Paper on Demand Response Direct Participation. At this point, EnerNOC’s comments are meant to identify subject areas that will need to be addressed by the CAISO, and the stakeholders, in implementing a DR program that provides for direct participation in the CAISO’s wholesale markets. EnerNOC reserves the opportunity to supplement these comments at a later date. EnerNOC submits this list of issues as exemplary of the type of issues that may need to be addressed in implementing FERC Order 719, but it is not an exclusive list.

Eligibility:

The CAISO, and the stakeholders, will have to determine who is eligible to directly participate in DR programs. This can include:

- Load Serving Entities (LSEs)-Utility Distribution Companies (UDCs) and Energy Service Providers (ESPs)
- Aggregators of Retail Customers (ARCs) or Curtailment Service Providers (CSPs)
- End-Use Customers
- Distributed Generators
- Permanent Load Shift
- Energy Efficiency

Size:

- Minimum-100 kW
- Maximum?

Types of Programs:

- Day-Ahead
- Real-Time
- Price Responsive

Can customers participate in more than one program? In which CAISO markets will each program be eligible to participate (energy, capacity, ancillary services)? Which programs provide an RA credit?

Availability Requirements:

- Summer or Annual
- Hours per year

- Number of Events
- Hours per Event

Depending upon the type of program, different triggers may initiate an event. It could include price, demand levels, operating reserve levels and/or emergency protocols.

Administrative Costs:

How are administrative costs associated with the programs administered?

Requirements to Participate in CAISO Market:

- The CAISO in its issue paper indicates that a CSP/customer would have to become or to interface with a scheduling coordinator (SC). However, EnerNOC would submit that CAISO should consider another level of registration and interaction for CSPs than to require each CSP to become or to interface with an SC. Other ISO's have created a registration requirement for CSPs that is different from generators and LSEs. This registration requirement would be less onerous for meter requirements, credit requirements, scheduling and settlement requirements, etc. NYISO and NEISO have such distinctions.
- The CAISO would have to register resources (customer locations) with a specific resource ID. The aggregator would submit the list of resources that are behind the load reduction bid that will respond when DR events are initiated. How are resources identified with a CSP?
- What minimum types of communication equipment will the CSP and its customers have to install in order for communications from the CAISO to be received to alert of DR events?
- What are the minimum metering requirements? Interval meters? Load profiling?
- How quickly after an event is meter data provided to the ISO? What is the measurement and verification protocol?
- How are new customers registered in the program?

Events:

- How are events triggered?
- How is the event notification transmitted to the CSP and/or customers of the CSP?
- What is the response time after notification is received?

Performance:

How is performance measured? CPUC has a current proceeding that would determine this issue for current utility programs.

Against what baseline will demand response be measured?

- Individual baseline vs. Aggregated baseline

- 10 in 10 vs. 5 in 10 vs. 3 in 10 average
- Day-of adjustment vs. unadjusted

EnerNOC has specific views on this issue, and has submitted a whitepaper in previous comments. Again, EnerNOC reserves the opportunity to supplement or amend its position.

Offer/Bid Requirements:

How is DR offered into the CAISO markets?

Payment/Settlement:

How are CSPs paid for their performance?

Measurement & Verification & Reporting:

What are the protocols or criteria for measurement and verification of demand response data? How often is this information provided to the CAISO? In what format?

Metering Requirements:

Is interval metering required? Can profiling be used for small customers where interval metering may not make sense?

Failure to Perform/Underperformance:

How is underperformance handled? Are there penalties? Are credit provisions triggered? Are customers/CSPs performance de-rated?

Summary:

At the appropriate time, EnerNOC looks forward to providing some additional information and views on the issues, such as those indicated in this list, either through filing subsequent comments and/or through participating in stakeholder processes the CAISO initiates.