

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

Order Instituting Rulemaking To Enhance the
Role of Demand Response in Meeting the
State's Resource Planning Needs and
Operational Requirements.

Rulemaking 13-09-011
(Filed September 19, 2013)

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION TO QUESTIONS ON NEW MODELS OF DEMAND
RESPONSE**

Pursuant to the Administrative Law Judge's December 15, 2016 and January 11, 2017 e-mail rulings, the California Independent System Operator Corporation (CAISO) files these reply comments to opening comments on questions posed regarding New Models of Demand Response.

The CAISO's reply comments are limited to clarifying its position regarding the delivery and value of "Shift" demand response services. Specifically, the CAISO reiterates its February 10, 2017 comments on the Demand Response Potential Study (Potential Study), which noted that Shift demand resource resources "are best suited as load modification strategies, not wholesale supply-side resources."¹ In opening comments, the Joint DR Parties imply that the CAISO advocated for wholesale "Shift" demand response services. This implication is inaccurate. The CAISO continues to believe that "Shift" demand response services are more properly realized through retail rates and tariffs rather than wholesale market services.

Respectfully submitted,

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¹ February 10, 2017 CAISO Reply Comments on the Demand Response Potential Study, p. 3.

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February 28, 2017