



# Reliability Demand Response Resource (RD RR) Minimum On Time (MOT) Change

Stakeholder Meeting  
January 24, 2024


# Reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- If you need technical assistance during the meeting, please send a chat to the event producer.

## Great news with Intellor platform, specifically around audio while joining meetings

- The “call me” feature now enabled when joining Operator assisted meetings.
- I have a very positive update regarding the Webex Webinar(s) you have scheduled with us for January 2024. Integrated Webex telephone audio is now enabled for these webinars – meaning, speakers and attendees can join Webex and then use the call-me feature for the best experience. (We will still open the separate teleconference in case any of your attendees choose to use it.)

# Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the bottom of your screen.

**Note:** #2 only works if you dialed into the meeting.

- Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to either Brenda Corona or to all panelists.

## Stakeholder call objectives

- Announce changes to Initiative Status
- Review and discuss Final Proposal
- Stakeholder Q&A
- Provide stakeholder steps in addressing stakeholder RDRR enhancement requests received – requiring further stakeholder engagement

# Today's agenda

Time	Topic	Presenters
1:00 – 1:10	Welcome	Brenda Corona
1:10 – 2:10	Decision to pause initiative and withdraw proposal	Jill Powers -with internal initiative team member input
	Final Proposal – revisions from DFP	
	Stakeholder questions on final proposal	
2:10 – 2:25	Enhancement requests – upcoming stakeholder engagement opportunity	Alyssa Krag-Arnold
2:25 – 2:30	Wrap-up	Brenda Corona

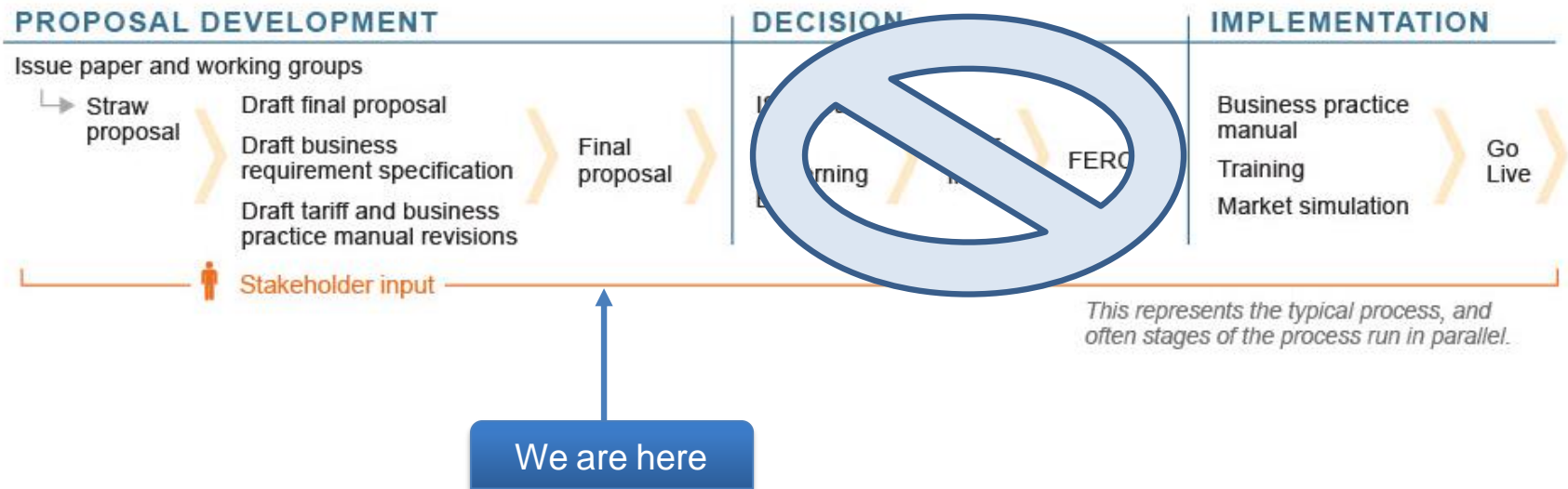
# Statement on Initiative Status

Based on feedback we received from stakeholders both written and verbal regarding the RDRR MOT Proposal papers published, the CAISO has made the decision to remove the proposal moving forward for a CAISO Board and WEIM Governing Body approval request.

This decision was based on the recognition that the initiative objective would not meet the needs of the stakeholders. While the CAISO can provide RDRR stakeholders with the ability to increase their minimum on time above the currently restricted one hour maximum, the MOT proposal change would not impact market outcomes and thus not meet stakeholder objectives.

Changes necessary to meet this objective cannot be addressed in an expedited CAISO stakeholder initiative. The CAISO recognizes, such an effort for the minimum on time to be considered in the economic evaluation of the resource would require a much broader re-evaluation of the RDRR policy in the CPUC-approved multi-party settlement in its demand response proceeding (R.07-01-041).

# CAISO Policy Initiative Stakeholder Process





# Final Proposal Discussion

## As a reminder - Initiative Objectives

This initiative is being undertaken to:

1. Provide operational benefit by more accurately reflecting RDRRs' minimum on time in the markets during stressed conditions;
2. Maintain the preferred operational dispatch order of RDRRs directed by the CPUC allowing CAISO "...to use RDRR, as an RA resource, for economic or exceptional dispatch upon the declaration of a day-of Energy Emergency Alert ("EEA") Watch, or when a day-ahead EEA Watch persists in the day of; and
3. Mitigate concerns with continued participation in the retail programs integrated as RDRRs and retain demand reduction capacity they provide.

# RDRR Policy and Tariff proposals

- Final RDRR minimum on time policy proposal – no change

The CAISO proposes that an RDRR have a minimum on time that combined with its Start-Up Time does not exceed 255 minutes.

- Final tariff revisions proposal – no change

## 4.13.5.3 Dispatch Parameters for RDRRs

Each Reliability Demand Response Resource shall be capable of reaching its maximum Load curtailment within forty (40) minutes after it receives a Dispatch Instruction, and shall be capable of providing Demand Response Services for at least four (4) consecutive hours per Demand Response Event. Each Reliability Demand Response Resource shall have a combined Start-Up Time and minimum on time less than or equal to 255 minutes. ~~minimum run time of no more than one (1) hour.~~

## Final Proposal paper include rationale for proposal

The CAISO proposes that a RDRR have a minimum on time that combined with its Start-Up Time does not exceed 255 minutes.

- Aligns with the definition established for a Short Start Unit.
- Ensures RDRRs minimum on time remains recognized in the Short-Term Unit Commitment (STUC) process.
  - In the consideration of other unit commitments
- Makes the RDRR minimum on time requirement synonymous with the Minimum Run Time requirement for Short Start Units
- Allows for flexibility without specifically requiring a maximum.

## RDRR real-time market treatment clarifications

- No changes on RTPD optimization use of start up time (SUT) and minimum on time (MOT)
  - Economically evaluated based on real-time bid MW quantity and price
  - If economic for a 15 minute interval in its time horizon, will be dispatched
  - Once dispatched, will be kept on in remaining intervals respecting its minimum on time
  - A longer minimum on time does not decrease its likelihood of dispatch

# No change to RDRR dispatch option treatment

- RDRRs registered as discrete dispatch option
  - Dispatched at or near maximum economic bid quantity over minimum on time
- RDRRs registered as non-discrete (continuous) dispatch option
  - Dispatched between their Pmin (0 MW) and their maximum economic bid quantity over minimum on time
  - Minimum length of dispatch from Pmin over minimum on time dependent on the resources registered bid dispatchability
    - 60-, 15- or 5-minute dispatch options

## No change to how RDRRs can set market prices

- RDRRs registered for 5-minute dispatch can set the marginal energy price in the five-minute market
- RDRRs registered for 15-minute dispatch can set the marginal energy price in the fifteen-minute market
- 60-minute dispatchable RDRRs cannot set the price
  - dispatched in the hour ahead scheduling process(HASP)
  - receive schedules for each 15 minute interval of the trading hour
  - settle at the corresponding locational marginal price during each fifteen-minute market interval

## No change to eligibility for Bid Cost Recovery (BCR)

- Resources registered for 5-minute or 15-minute dispatch are eligible for BCR.
- Resources registered for 60-minute dispatch are ineligible to receive BCR



## Final Proposal addresses comments received from stakeholders

- Comments were generally supportive of policy change to increase the minimum on time for RDRR. However, there were concerns of increasing MOT from some.

### Specific stakeholder comments included:

1. suggested revisions to the proposed tariff language to minimize use of RDRR when dispatched;
2. ensuring that the minimum on time parameter registered is accurate representation of the resource's operation;
3. suggestions for RDRR enhancements as requested in the comment template; and
4. clarifying what start up time should be used in establishing a minimum on time for 15-minute and 60-minute dispatchable RDRRs.

# Stakeholder Q&A

# Next Steps

Date	Milestone
December 4, 2023	Published consolidated Issue/Draft Final Proposal paper with proposed tariff amendment included
December 18	Comments received on combined Issue Paper/Draft Final Proposal including drafted tariff amendment
December 20	Stakeholder call
January 18, 2024	Published Final Proposal
January 24	Stakeholder call
February 7	Withdrawn - CAISO Board and WEIM Governing Body approval request

# Further Stakeholder Engagement Opportunity

# Catalog and Roadmap Process: Opportunities for Stakeholder Engagement

- **January** – Level-setting stakeholder workshop
- **February** – Stakeholders submit potential discretionary initiatives for Annual Catalog
- **March** – RIF holds prioritization roundtable, ISO hosts stakeholder prioritization workshops
- **April** – Publish draft Annual Catalog for stakeholder comment
- **May** – Publish final Annual Catalog
- **September** – Publish draft Roadmap for stakeholder comment
- **December** – Present final Roadmap to BOG/GB

# Catalog Submission Template

- Released January 31, 2024
  - Submissions open February 1 – Feb 28, 2024
  - New initiatives or resubmissions accepted
- Changes from 2023
  - Single annual submission period
  - Additional information requested:
    - Proposed initiative scope & market design elements to be addressed
    - Business justification: alignment with ISO strategic objectives and impact on other market participants
    - Timing & urgency

# Submissions Template Questions

- **Issue Description**
- **Proposed Initiative Description**
  - Scope of proposal, elements of existing market design proposing to address
- **Business Justification**
  - Alignment with ISO strategic objectives, impact on other market participants
- **Timing & Urgency**
  - Regulatory requirements or time-sensitive reliability impacts
- **Data**
  - Identify existing data and missing data needed to analyze issue & develop solutions

# Wrap Up



# NEWS RELEASE: FERC accepts ISO tariff changes for a Western day-ahead electricity market

- New rules adopted for the Day-Ahead Market Enhancements (DAME) and the Extended Day-Ahead Market (EDAM).
- Stakeholders were deeply engaged in designing the market rules through a collaborative working group process, which included regional utilities, independent energy providers, state regulators, public interest organizations, and a variety of entities representing various interests and points of view throughout the Western Interconnection.
- Learn more about EDAM through this [link](#).
- Find out [What They're Saying](#), [News Release](#)



- *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news

<http://www.caiso.com/about/Pages/Blog/default.aspx>.



January 18, 2024  
*Inside the ISO, Leadership, Operations*

## The great transformation: Designing the grid of the future

By Mark Rothleder

California ISO executives and staff members are frequently asked to address energy conferences across the U.S. and abroad. The following is a keynote speech from Mark Rothleder, the ISO's Senior Vice President and Chief Operating Officer, delivered at "The Great Transformation: Designing the Grid of the Future" conference hosted Jan. 16 ...

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