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Author Title	Manager
Title of document	"SCE and Various Parties Alternate Proposal for Proxy Demand Resources (PDR-A) presentation".
Date submitted	1/16/09
Other Comments	This document does not reflect the opinions of SCE it is a compilation of ideas from the working group participants.
Notes	

Update on Proxy Demand Resource Alternate (PDR-A)

January 15, 2009

Presented by

G. Muir Davis

Group Spokesperson

Agenda

- Update PDR-A development
  – Introductory Comments
  – Summary of PDR-A model
  – Latest Discussion

- Demand Resource and Review of Issues
  – SCE Demand Response Perspective
  – Goals for integrating in MRTU
  – Issues
    • PDR and DDR
    • Process

- Next Step
  – Meet with Dept of Market Monitoring & Market Surveillance Com.

Introductory Comments

- Intent of PDR-A proposal is to maximize the value of DR to all parties

- Assumption is that all parties seek the same goal –efficient and effective DR markets promoting the least cost to market participants and end-users

- PDR-A design derived from the work of DR Working Group participants representing a cross-section of market participants

- The PDR-A design does not necessarily represent the views or policies of any companies sponsoring individuals participating in the PDR-A Subgroup

Summary of PDR-A Model

☐ Goal: Maximize DR contributions to CAISO markets

☐ PDR-A design

  ☐ CSP to serve DR independently of the LSE

  ☐ Direct access to CAISO wholesale markets

  ☐ Responds to FERC's interest in CSP direct access

☐ Captured in writing

Latest Discussion

Enrollment	Execution within IFM			Settlements
	Bidding	Clearing	M&V	

PDR-A Business Process Issues

Moving Forward

1. Continue developing PDR-A functionality

2. Hold a DR Working Group meeting to compare, resolve, integrate, "hybridize," or otherwise achieve a consensus PDR model for implementation

3. Make necessary changes in User Guides and BPMs

4. Meet with CAISO Department of Market Monitoring and Market Surveillance to address "Money machine" concerns

Demand Response and Issue Review

- SCE Demand Response Perspective

- Integration Goals

- Issues

SCE Demand Response Perspective

- Load Serving Entity
  - 80% SCE
  - 20% Other

- Local Capacity Areas aka (CAGs or CLAPs)
  - 67% LA Basin
  - 6% Big Creek/Ventura
  - 27% Other

- Customer Response Capability
  - 40-60% BIP
  - 10-20% Other price response programs

Reference Diagram

LAP ($150)

CAG 1
($100)

CAG 2
($200)

CAG 3
($90)
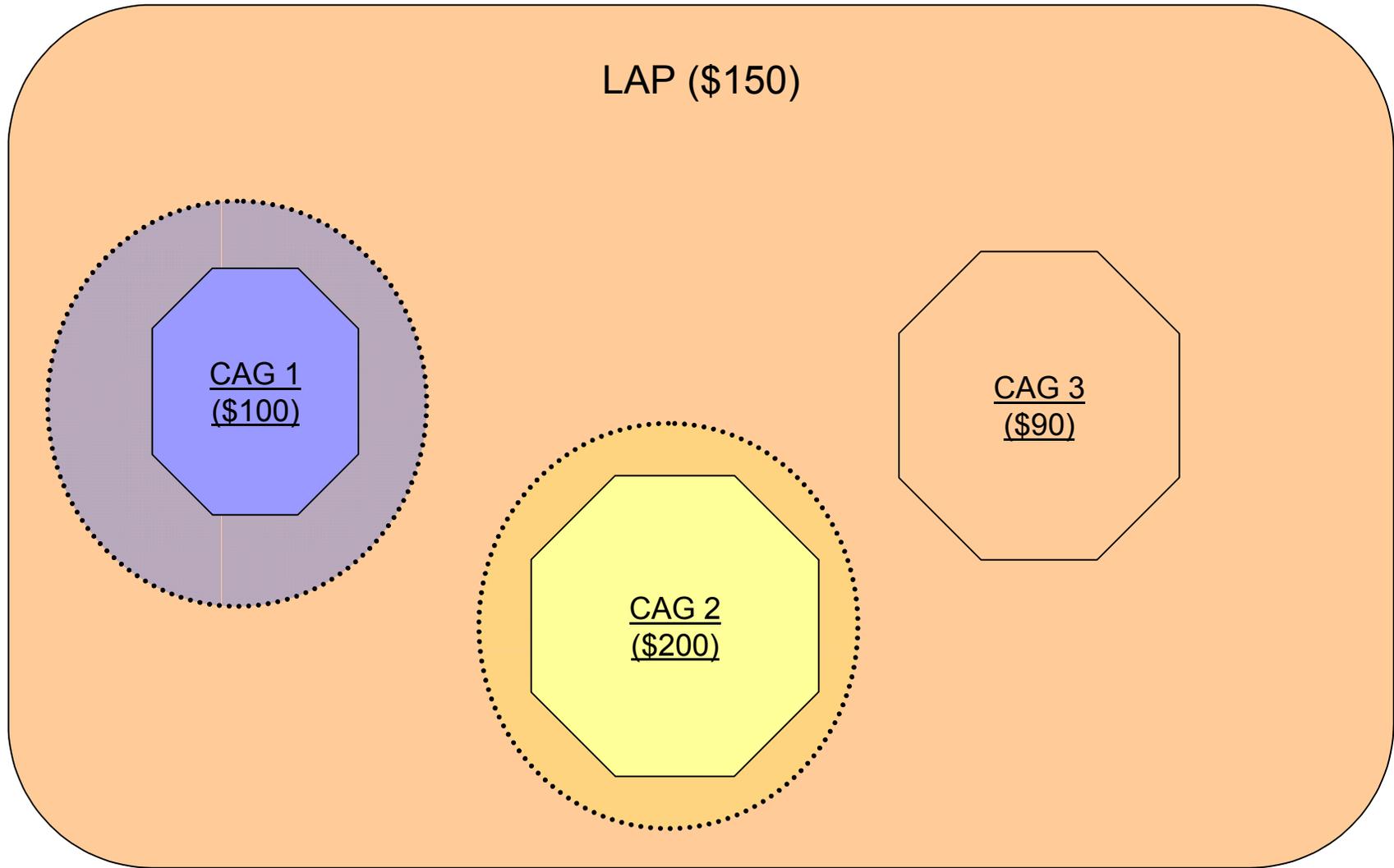
Integration Goals in MRTU

- PDR
  - Attracted to high price areas
  - Viable substitute for generation
  - Support direct participation
  - Limited nature of resource
  - Manage "money machine" concerns

- DDR
  - Same as PDR
  - Additional
  - DR as driver versus load

Addressing LECG or "money machine" issue

- PDR
  - Limited use resource
  - Supported via
    - Master file
    - Use plan
  - Issues addressed
    - Limited hours reduce the value of convenience bidding
    - Price threshold significantly reduces the price taking potential

- DDR
  - Higher use resource
    - As percentage of response capability

- Process
  - Is CAISO bifurcating stakeholders?
    - Internal
    - External
  - Feedback to external stakeholders
    - More than updates at stakeholder meetings.
   - Missing something

Next Steps

- Schedule CAISO Working Group 2 deep dive meeting with CAISO's DM^{3}SC on LECG(?) issue.

- Resolve multiple efforts for DR in MRTU releases.

- Enhance work product flow between CAISO and remainder of working group.

Appendix

PDR functionality

- Bidding
  - Bid into day ahead market (DAM) AND real time energy markets (RTEM)
  - Bid at CAG
    - As small as P node
    - As big as Local Capacity Area
  - Bidding largely like other supply resources

- Settlement
  - Settled at CAG
  - Aggregate meter usage
    - Baseline calculation
    - Performance
    - Settlement
  - Meter reduction (DR) removed from LSE's load for settlement of UIE
  - Otherwise LSE's load is unaffected

- Performance
 - Treated as other supply resources

Diagrams

LAP

Local capacity area

Local capacity area

Diagrams

LAP

CAG 1

CAG 3

CAG 2
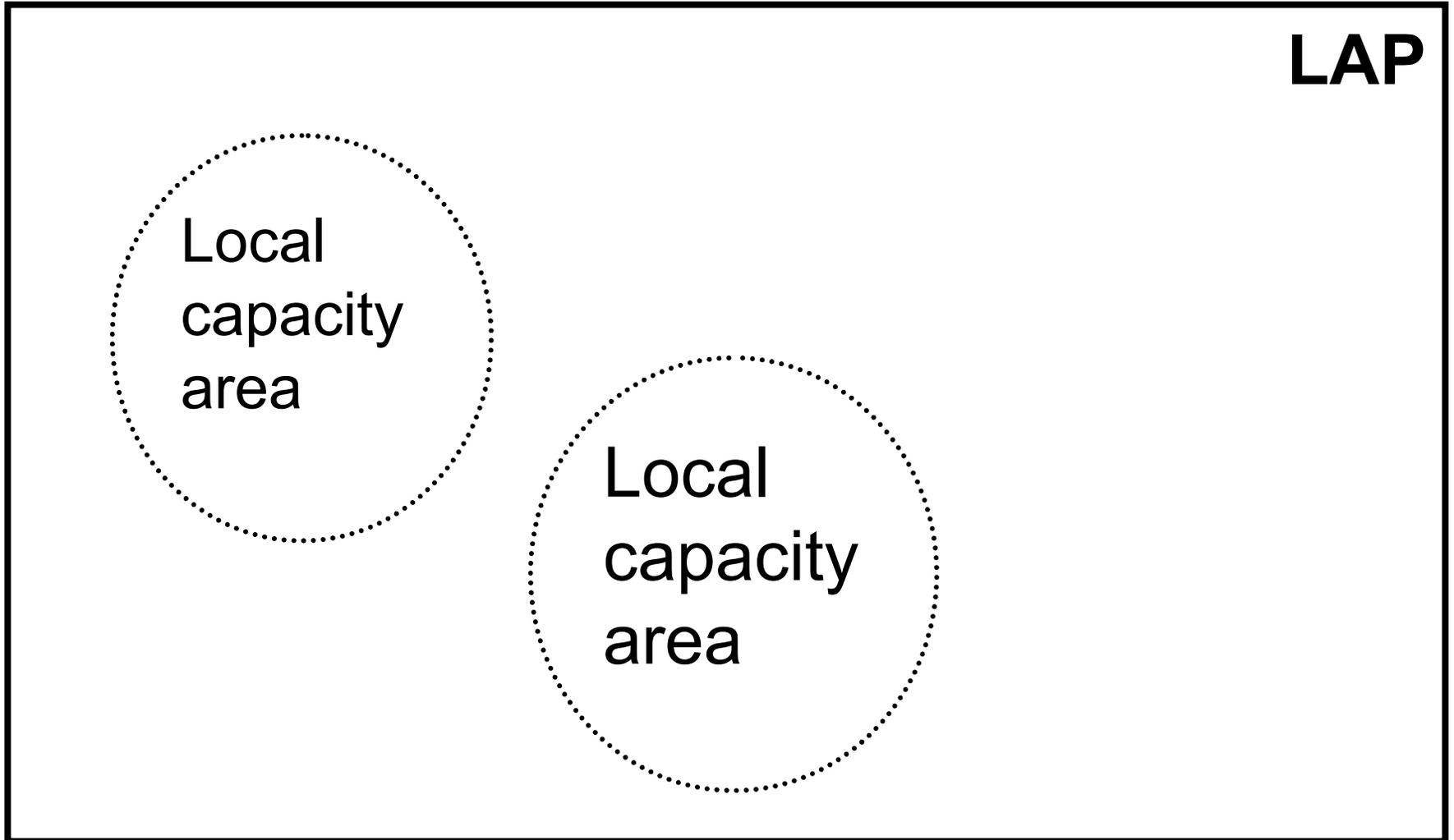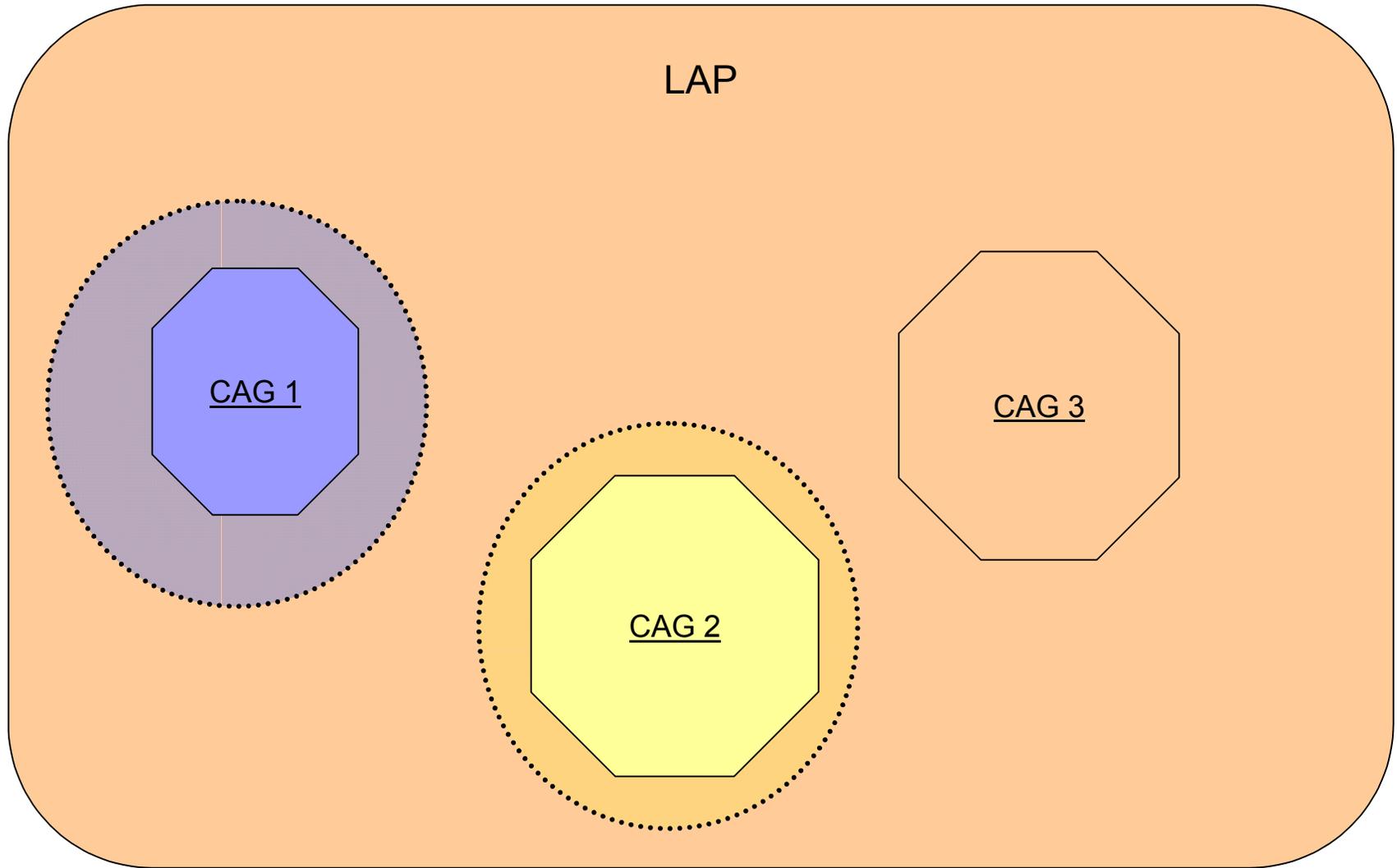
PDR as separable element for MRTU
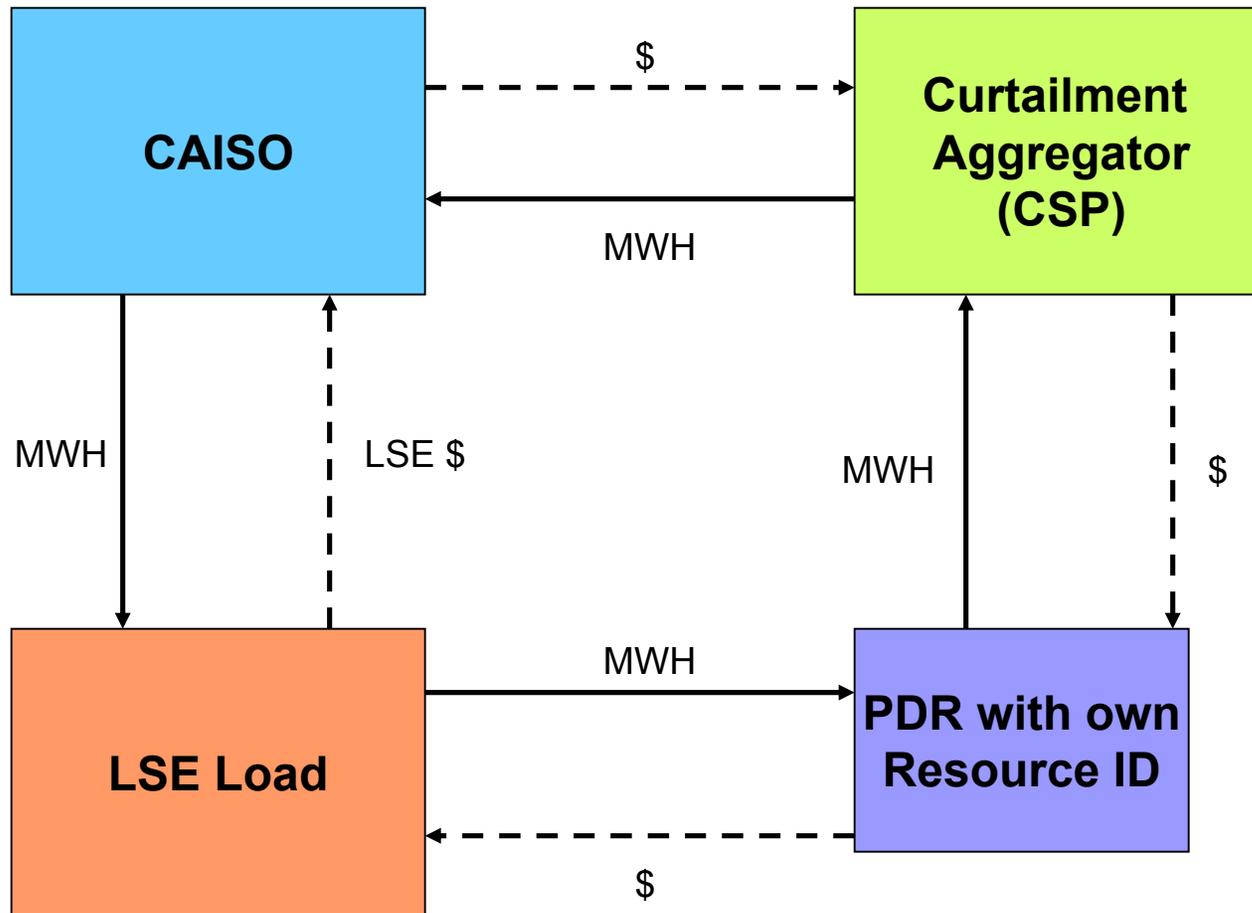
Diagrams

Load Service Entities (LSE)

ESP A
100 MW
(10 MW)
90 MW

ESP B

(10 MW)

IOU

(30 MW)
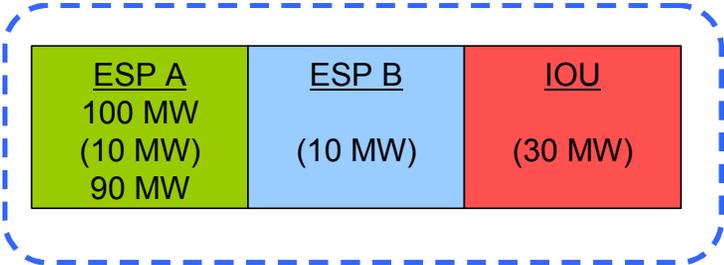
Load served by LSE in a CAG

Customer accounts identified as providing demand response for PDR

ESP A

10 MW

ESP B

10 MW

IOU

30 MW
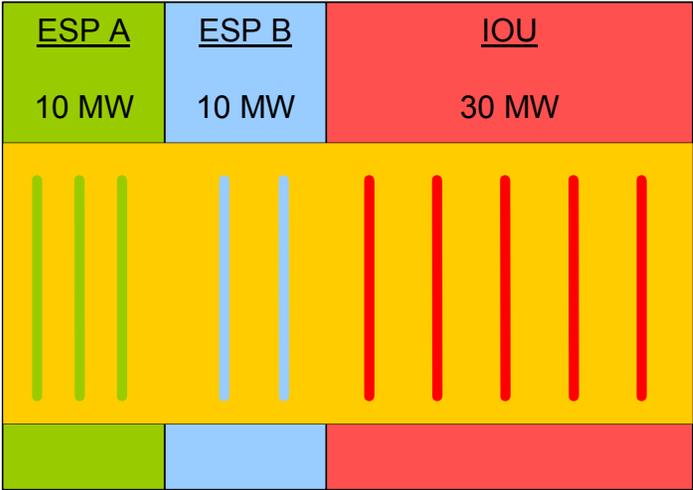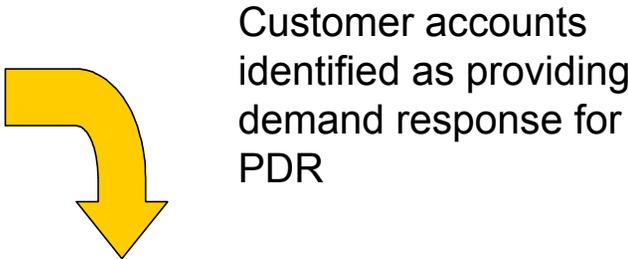
50 MW PDR

PDR is the demand response capability separated out of load

Diagrams

PDR Resource
(single program)

Diagrams

PDR Resource (multiple programs)

$/MWh

MW

(Pmax)   (Pmax)

PDR Settlement

ESP A 100 MW (10 MW) 90 MW	ESP B (10 MW)	UBL (30 MW)

Uninstructed Energy Deviations are tallied separately for each LSE within this PDR.
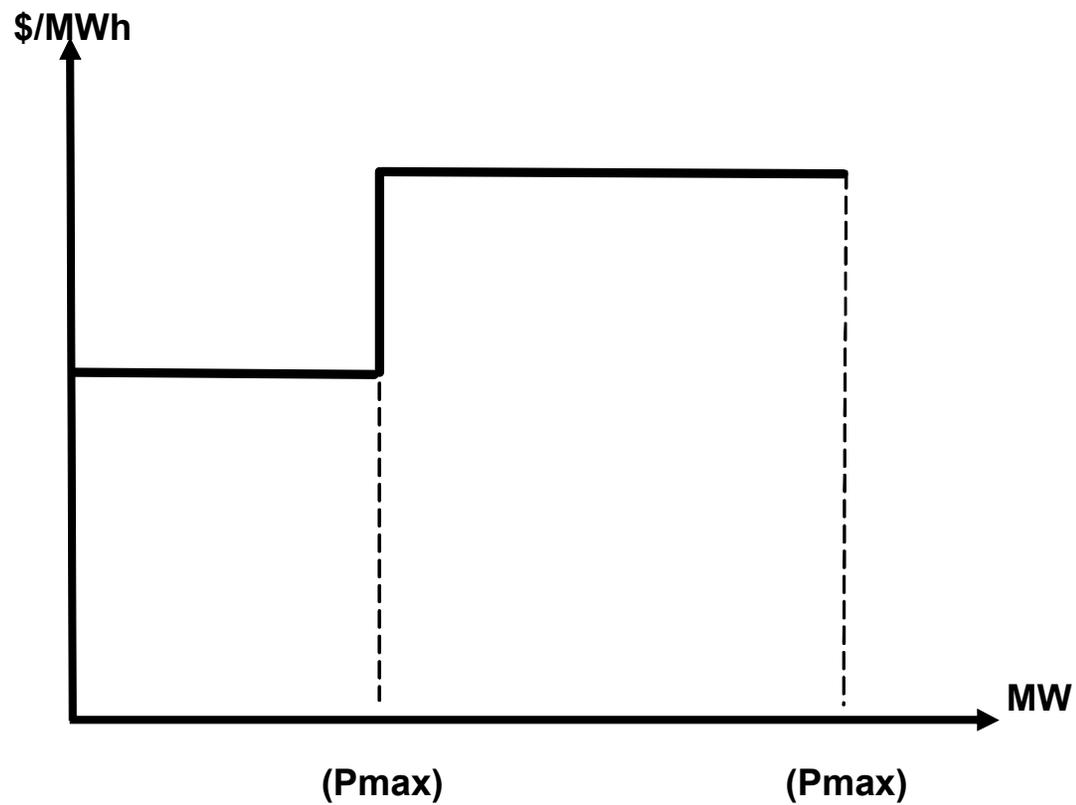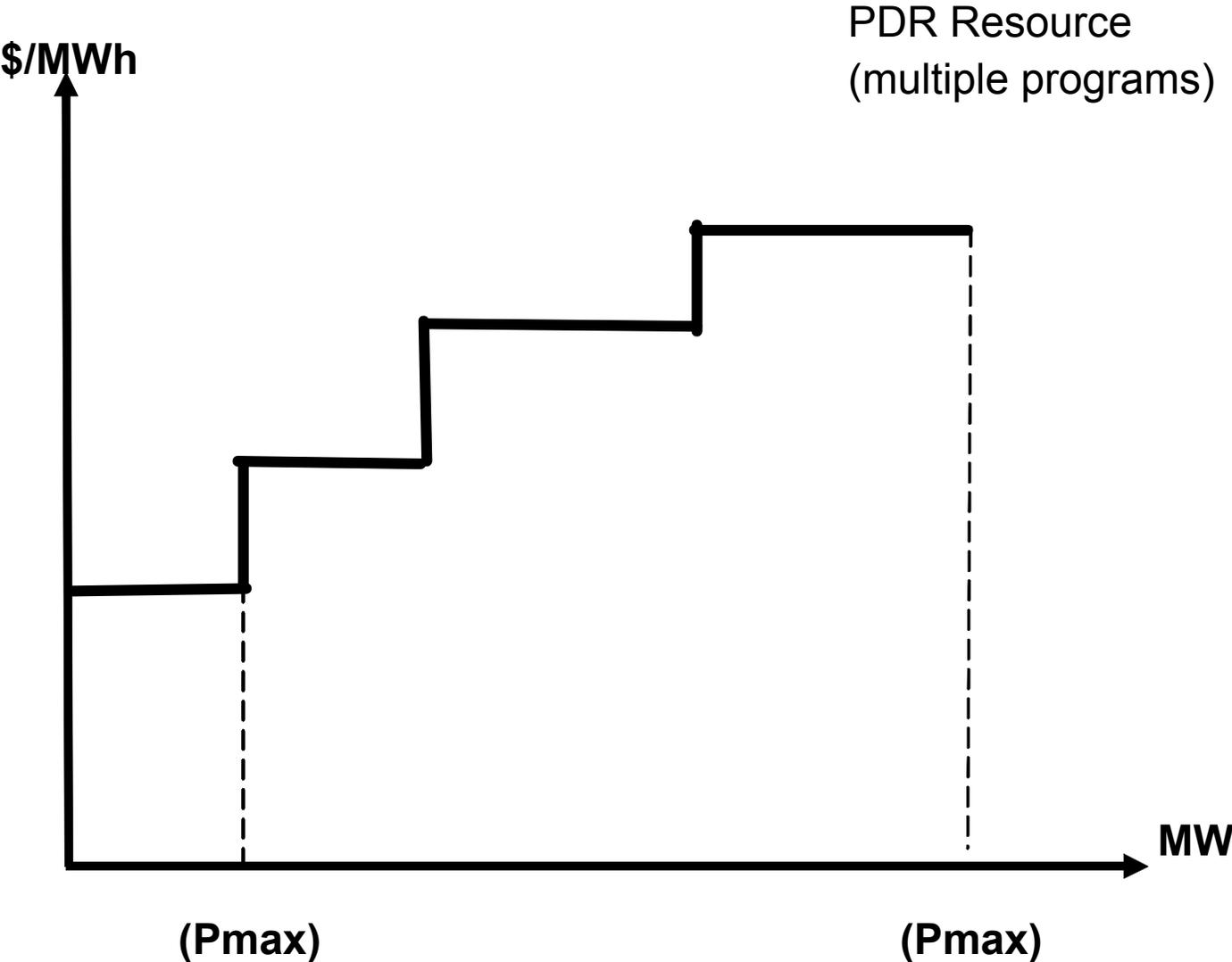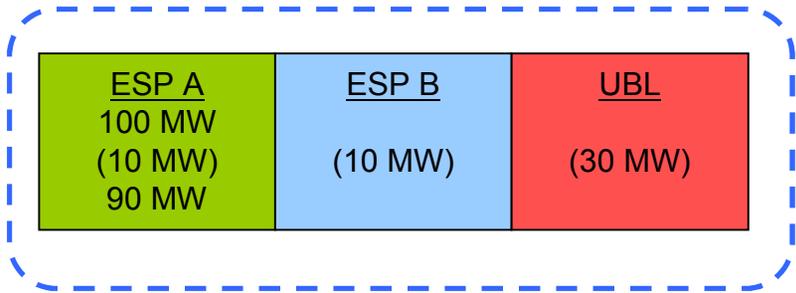
Sums to 50 MW of DR Capacity in this CAG

ESP A 10 MW	ESP B 10 MW	Utility Base Load 30 MW