



# CPUC Reliability DR Workshop

PRESENTED BY: MONA TIERNEY-LLOYD ON BEHALF OF  
ENERNOC, INC. AND CPOWER ENERGY MANAGEMENT SERVICES  
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# CPUC Reliability DR Workshop

- ▶ Proposed Allocation Methodology for capacity under the cap
- ▶ Proposal for Alignment of Open Window and DRAM

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- ▶ D.10-06-034 adopted a settlement that capped the amount of DR capacity that was not price-triggered, and used for reliability purposes
- ▶ As of 2015, the cap is equal to 2% of the all-time CAISO System Peak
- ▶ In 2006, CAISO hit an all-time peak of 50,270 MW
- ▶ Therefore, the cap on reliability DR programs is 1,005 MW
- ▶ The cap was allocated among the 3 IOUs in this proportion:
  - ▶ SCE- 70%
  - ▶ PG&E- 29%
  - ▶ SDG&E- <1%
- ▶ BIP/RDRR is the largest reliability DR program
- ▶ No 3<sup>rd</sup> party DR participation in w/s market; Settlement at footnote 4, page 9, leaves this up to the CPUC.

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|       | Cap   | Program Capacity (MW)/1 | 3 <sup>rd</sup> Party BIP/3 & DRAM RDRR (MW) |
|-------|-------|-------------------------|--|
| SCE   | 700   | 636                     |  |
| PG&E  | 300   | 297                     | 30/2   |
| SDG&E | 5     | <1                      |  |
| Total | 1,005 | 933                     |  |

/1 November 2017 Ex Ante Figures IOU Monthly Reports

/2 from PG&E DRAM 2018 and 2019

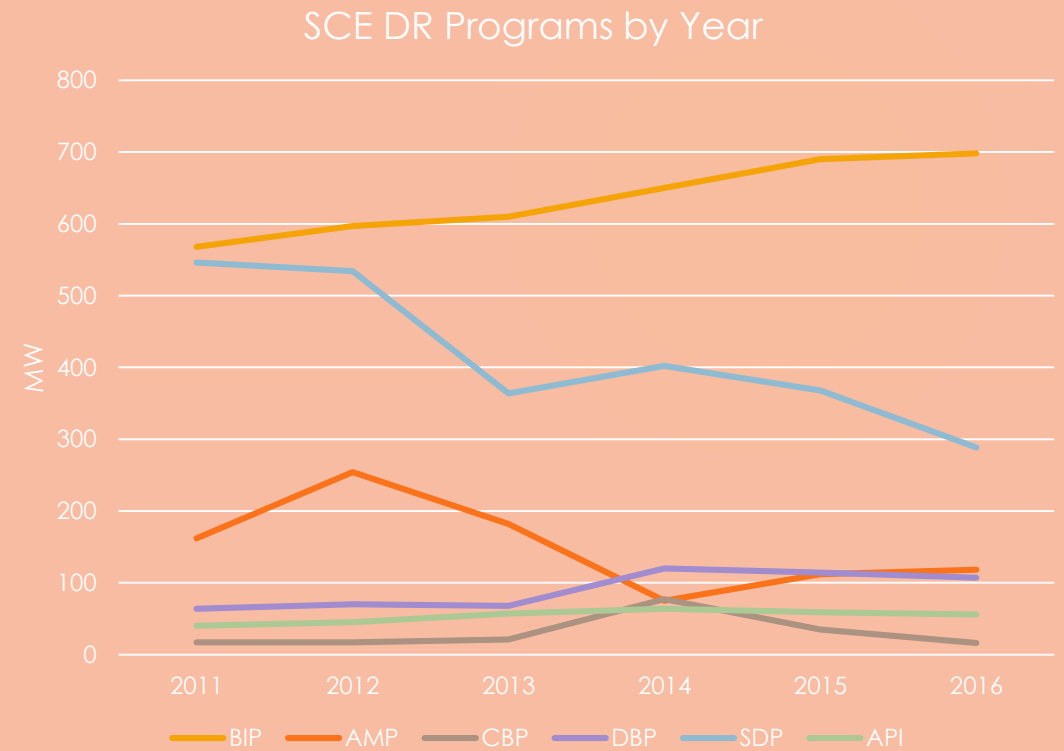
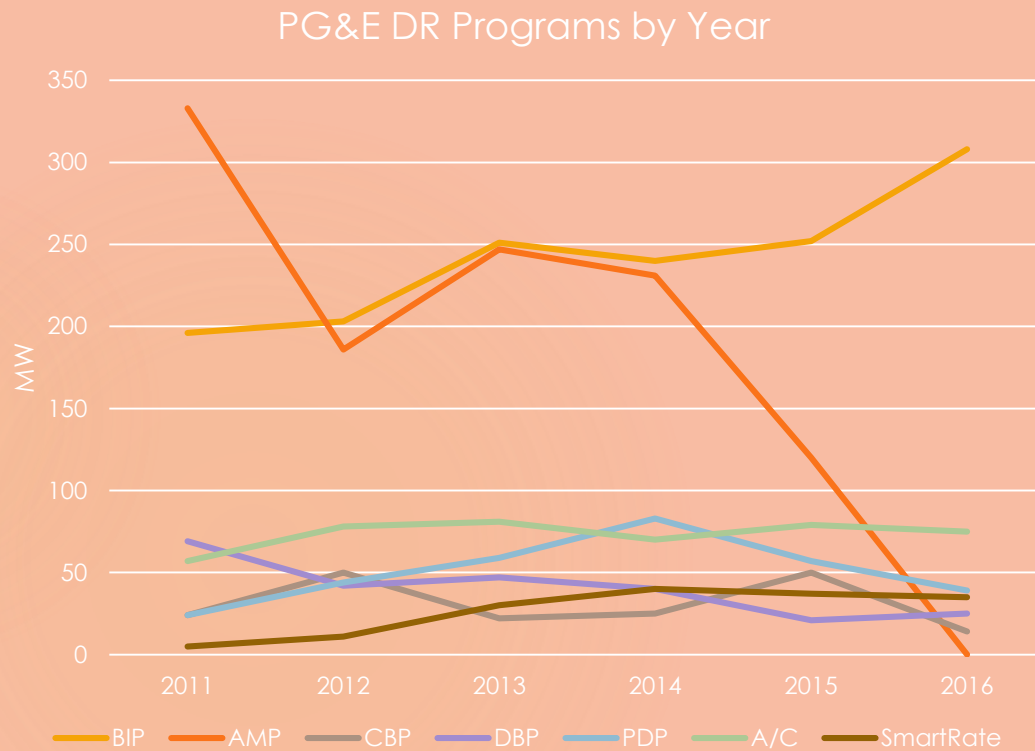
/3 until last year, no BIP participation by 3<sup>rd</sup> parties

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- ▶ DRAM Pilot authorized in D.14-12-024; first DRAM auction for June 2016-December 2016 conducted in Fall 2015. Still in pilot period.
- ▶ Cap became an issue during DRAM.
- ▶ Certain other DR programs ended, as of 2017 (AMP and DBP); DR program enrollments in CBP declined due to frequent dispatch.
- ▶ Enrollments in BIP increased. Why?
  - ▶ High capacity payment, balanced with a high energy penalty for failure to perform
  - ▶ Low dispatch frequency
  - ▶ Reliable performance
  - ▶ Counted in TPP and for local RA

# How Are We Doing in Terms of Reaching DR Goals?

DR Participation is Declining



Data from December Monthly IOU Reports, for August Ex-Ante

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- ▶ In D.16-09-056, the CPUC established goals for DR:

*Demand response customers shall have the right to provide demand response through a service provider of their choice and Utilities shall support their choice by eliminating barriers to data access;*

*Demand response shall be market-driven leading to a competitive, technology-neutral, open-market in California with a preference for services provided by third-parties through performance-based contracts at competitively determined prices, and dispatched pursuant to wholesale or distribution market instructions, superseded only for emergency grid conditions.*

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- ▶ In advance of 2018-2019 DRAM, ED and PG&E established a method for allocating capacity under the cap in the following manner:
  - ▶ PG&E BIP
  - ▶ 3<sup>rd</sup> party with customers currently participating in DRAM/RDRR
  - ▶ PG&E BIP waitlist
  - ▶ 3<sup>rd</sup> party who wants to increase capacity (above)
  - ▶ 3<sup>rd</sup> party who has not previously participated in RDRR



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## EnerNOC/Cpower Proposal

- ▶ Any excess capacity under the reliability cap will first be offered to 3<sup>rd</sup> parties in this order:
  - ▶ 3<sup>rd</sup> parties with existing customers enrolled in BIP/RDRR
  - ▶ 3<sup>rd</sup> parties with existing customers seeking to increase its capacity in BIP/RDRR
  - ▶ 3<sup>rd</sup> parties seeking to enroll in BIP/RDRR for the first time
- ▶ If these third parties do not accept all of the offered, available capacity, then IOU can include it in its BIP program.
- ▶ This allocation will remain in place until such time as 3<sup>rd</sup> parties share of BIP/RDRR capacity is equal to IOU's share

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Why is this approach fair?

- ▶ It supports expansion of 3<sup>rd</sup> party growth in providing Reliability DR Programs, which supports the Commission's goal
- ▶ It eliminates a bias toward the utility first
- ▶ It will allow customers more of an opportunity to participate with 3<sup>rd</sup> parties of their choice
- ▶ It allows for continuous customer relationships
- ▶ It will re-examine the allocation once the playing field is more level



Synchronize BIP and DRAM  
Enrollment with BIP Open Window

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- ▶ BIP open window occurs in November
  - ▶ This allows customers to leave BIP; but, enrollment can occur throughout the year
  - ▶ If customers do not leave in November, remain with provider through next year
- ▶ DRAM cycles do not coincide with BIP cycle
  - ▶ In 2019, DRAM process is complete by June with a possibility of supply plans being due by October 1; prior to open window.
- ▶ Following chart is an example of how coordination could occur

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10 MW RDRR available

1. Offered to aggregator-enrolled BIP customers → 6 MW filled

\*\*Direct enrolled customers skipped over and stay on a waitlist

2. Remaining 4 MW available in DRAM auction → 1 additional MW filled

3. Remaining 3 MW available to all customer in BIP on a first-come, first-served basis

\*\*Aggregator-enrolled customers will not be skipped over



Result of BIP Open Enrollment



1-2 months after BIP Open Enrollment



1-2 months after step #1



After DRAM auction awards