Perspective of CLECA on the Reliability DR Cap

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CLECA Takes a Customer Perspective

• Customers in good standing who participate in reliability DR programs should be able to continue on their existing programs

• Allocation of headroom under the reliability cap should only apply to headroom under the existing cap and to customers that are not currently enrolled in reliability DR programs

• Performance is tested annually, and in two of the prior four years, reliability events were called in the Base Interruptible Program
There is a chance that headroom could grow

• Dual participation in day-of reliability DR and day-ahead economic DR may be facilitated by efforts like PG&E’s day-ahead pilot
  • If this occurs, the load does not count toward the reliability cap

• Some customers currently participating in reliability DR programs may opt out or increase their firm service levels to account for use of back-up generation or may apply the Default Adjustment Value so their DR does not count this back-up generation, effectively adding headroom

• Some customers may be removed from reliability DR programs due to inadequate performance or may increase their firm service levels to be able to better meet load reduction obligations

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Measurement methods for assessing headroom must be more consistent

- The IOUs use the load impact protocols to determine the RA value of their portfolios.
- Competing Suppliers will also be required to use the load impact protocols. (D. 17-10-017 OP 6.)
- Currently DRAM participants use contract quantity, which is not consistent. (D. 16-06-045 at 41 and COL 13.) Furthermore, it is not public.
- Use of contract quantity leads to an apples to oranges comparison and to addition of non-comparable quantities in calculating headroom.
- The results of the LIPs vary from year to year and cannot be fully anticipated in advance. However, they are consistent.
Ideas for allocating headroom under the cap

• Current first-come, first served, updated to check for continued customer interest.
  • This favors those on the list the longest.
• An alternative is a lottery like that used to allocate headroom under the direct access cap. Lotteries are conducted when headroom exists.
  • A lottery could reduce concern about the allocation favoring customers on waiting lists.
  • Access should be open to customers who want to directly participate and to aggregations of customers on an even-handed basis. Need to discuss how to address possible size differences between the two.

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Allocation must be customer-focused

• D. 16-09-056 states “customer-oriented demand response shall ensure that customers of demand response programs have a right to choose from all available products—whether those products be utility programs or third-party programs, are fairly compensated, and are empowered through education.” (D. 16-09-056 at 49-50)

• COL 21 states: “The Commission should allow customers to determine the eventual role the Utilities will play in the future, through selections from the various demand response options that are provided.” (D. 160-09-056 COL 21.)

• Customers should not be forced into an aggregation to be able to participate in reliability DR.