BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval of Demand Response Programs, Pilots and Budgets for Program Years 2018-2022	**Application 17-01-012 (Filed January 17, 2017)**
Application of Southern California Edison Company (U338E) for Approval of its 2018-2022 Demand Response Programs.	**Application 17-01-018 (Filed January 17, 2017)**
Application of San Diego Gas & Electric Company (U902E) Requesting Approval and Funding for 2018-2022 Demand Response Portfolio in compliance with Decision 16-09-056	**Application 17-01-019 (Filed January 17, 2017)**

INFORMAL COMMENTS OF THE CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION ON INTERIM REPORT ON ENERGY DIVISION'S EVALUATION OF THE DEMAND RESPONSE AUCTION MECHANISM PILOTS

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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The California Large Energy Consumers Association (CLECA)[1] submits these brief informal comments pursuant to the email request from the Energy Division dated August 6, 2018. They address the Interim Report of the Energy Division on its evaluation of the

[1] CLECA is an organization of large, high load factor industrial customers of Southern California Edison Company (SCE) and Pacific Gas and Electric Company (PG&E); the members are in the cement, steel, industrial gas, pipeline, beverage. cold storage, and mining industries. CLECA has been an active participant in Commission regulatory proceedings since 1987, and all CLECA members engage in Demand Response (DR) programs to both promote grid reliability and help mitigate the impact of the high cost of electricity in California on the competitiveness of manufacturing. CLECA members have participated in the Base Interruptible Program (BIP) and its predecessor interruptible and non-firm programs since the early 1980s. Many CLECA members have dual participated in the Demand Bidding Program; timely development of viable new alternative DR programs for dual participation with BIP is now a critical focus for CLECA.

Demand Response Auction Mechanism Pilots, dated July 24, 2018.

I. Comments

The Integration Challenges section 5.3 of the report is focused on the issues the Demand Response Providers (DRPs) had with the DRAM process, such as problems with customer enrollment and difficulties with the utilities' enrollment process. Missing from the report is a discussion of the integration and performance issues from the utilities' perspective. At the workshop the utilities mentioned various issues which should also be summarized in the report. To determine if a DRAM process is resulting in viable demand response and if it is in the best interest of customers to pay DRAM providers a complete and balanced review is required.

CLECA recommends the following changes for the final report:

- Please include a summary of integration challenges from both the utilities' and DRPs' perspectives, which will provide more insight into which challenges were unique to DRPs and which affected both. These should include, but not be limited to: 1) customer enrollment and verification; (2) meter information; (3) CAISO bidding and award performance, when this is available; and (4) settlement issues.
- Please include a summary of the Independent Evaluator (IE) reports from each of the four DRAM pilot auctions. The summary should Identify issues raised that have may have been resolved and any that are still remaining. We recommend including all the IE reports as an attachment.
- Please see if there is a way to minimize the amount of test that is redacted due to confidentiality. There are numerous figures and blocks of text that are redacted,

making parts of the report hard to follow. While we understand that some of the information is confidential, it seems likely to with more time it would be possible to present more information, particularly in the figures, in a manner that would avoid presentation of confidential information. For example, why is the share of the DRAM for the residential class redacted?

- Please provide a schedule for the incomplete section of the interim report, including the sections on Criterion 4 regarding competitive offer prices in the wholesale market, Criterion 5 regarding whether DRPs met their contractual obligations, and Criterion 6 regarding whether the DRAM resources were reliable when dispatched. We really do believe that all are needed before the Commission can make a final decision on the future role the DRAM will play in DR in the state.
- Please provide a more precise up-front definition of Demonstrated Capacity and Supply Plans and their significance.

Respectfully submitted,

Buchalter, A Professional Corporation

By: Nora Sheriff

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August 17, 2018