

Stakeholder Comments Template

PDR - Resource Adequacy Clarifications Initiative

- Effective Flexible Capacity Value for Proxy Demand Resources Tariff Clarifications
- Slow Demand Response Final Proposal (formerly within RA Enhancements initiative)

This template has been created for submission of stakeholder comments on the **Proxy Demand Resource (PDR) – Resource Adequacy (RA) Clarifications Initiative** web conference that was held on April 28, 2020. The meeting material and other information related to this initiative may be found on the initiative webpage at: http://www.caiso.com/StakeholderProcesses/Proxy-demand-resource-resource-adequacy-clarification

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on May 8, 2020.

Submitted by	Organization	Date Submitted
Nuo Tang	SDG&E	May 8, 2020

Please provide your organization's comments on the following topics and indicate your orginzation's position on the topics below (Support, Support with caveats, Oppose, or Oppose with caveats). Please provide examples and support for your positions in your responses, as applicable.

1. Effective Flexible Capacity (EFC) for PDRs

Please provide your organization's feedback on the proposed EFC value for PDR tariff revisions.

While SDG&E agrees and supports the need to provide the CAISO with data to support the Masterfile parameters, such parameters are generally a snapshot in time that represents the ability of a resource for a period of time. For instance, a conventional resource may not adjust the Pmax parameter in the Masterfile monthly to account for ambient temperature conditions. Rather, the conventional resource may retain the Pmax value throughout the year and submit outages to account for performance reductions due to ambient temperatures. If the conventional resource

were to reduce its Pmax below its net qualifying capacity ("NQC") value during the year for which the resource was shown for Local RA, the CAISO would also prohibit such changes to the Masterfile because the NQC cannot be lowered during the operating year for the Local resource.

As such, SDG&E recommends that such tests to justify the Masterfile parameters of a proxy demand resource ("PDR") to be conducted during the month in which the resource has the highest NQC value of the year.

SDG&E also requests that wording in section 40.10.4.1(c)(2) and (3) are retained in the CAISO tariff to ensure that the applicable load data to measure the load modification of the PDR and also pay the resource's bid price during the test period.

2. Slow Demand Response (DR)

Please provide your organization's feedback on the Slow DR final proposal and tariff clarifications.

Ultimately, the resolution of whether IOUs include resource IDs in the supply plan requires the California Public Utilities Commission ("CPUC") to modify the current process. SDG&E understands the CAISO's desire to have IOU DR be submitted on a supply plan in order to allow the CAISO to know which IOU PDRs may be predispatched for contingency purposes. SDG&E believes that it is pre-mature to require the IOU PDRs to be submitted on the supply plan because the CAISO has not implemented the weather sensitive DR solution as part of the Energy Storage Distributed Energy Resources Phase 4 ("ESDER 4") initiative. SDG&E believes once ESDER 4 is implemented, then the IOUs should be able to better integrate the IOU PDRs into the supply plan.

In the interim, SDG&E believes the IOUs could work with the CAISO to provide a list of IOU specific PDR resources and the NQC values as established on the CAISO NQC list to better coordinate and achieve the CAISO's solution.

Additional comments

Please offer any other feedback your organization would like to provide on the PDR-RA Clarifications initiative.