

<b>DOCKETED</b>	
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<b>Project Title:</b>	Supply Side Demand Response
<b>TN #:</b>	239153
<b>Document Title:</b>	California Large Energy Consumers Association (CLECA) Comments - Scope of Supply Side Demand Response Counting Methodology
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<b>Organization:</b>	California Large Energy Consumers Association (CLECA)
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*Comment Received From: California Large Energy Consumers Association (CLECA)*  
*Submitted On: 8/2/2021*  
*Docket Number: 21-DR-01*

## **Scope of 21-DR-01 Supply Side Demand Response Counting Methodology**

*Additional submitted attachment is included below.*

August 2, 2021

California Energy Commission  
Docket Unit, MS-4  
Docket No. 21-DR-01  
1516 Ninth Street  
Sacramento, California 95814-5512

Dear California Energy Commission:

The California Large Energy Consumers Association (CLECA)<sup>1</sup> submits these comments pursuant to the notice in Docket 21-DR-01 regarding the July 19, 2021, Staff Workshop on Resource Adequacy Qualifying Capacity of Supply-Side Demand Response (DR).

**The Scope Should Include Evaluating DR Counting Methods for Upcoming Changes to the CPUC Resource Adequacy Program**

The California Public Utilities Commission (CPUC) issued D.21-06-029 and requested the CEC “to develop recommendations for a comprehensive and consistent M&V [measurement and valuation] strategy, including a new capacity counting methodology for DR addressing ex post and ex ante load impacts”.<sup>2</sup> The CPUC decision outlined seven issues which are included in the CEC’s meeting notice as the scope for the docket. In the same proceeding (R19-11-009), the CPUC later issued D.21-07-014 with a plan to restructure its Resource Adequacy (RA) program with implementation by 2023 for a 2024 compliance year. Instead of using a peak load based upon the annual or monthly peak to set the amount of required resources, a Slice of Day approach will be used which includes the peak of a particular time period within the day and year. For example, one slice could be June through September from noon – 6 pm, and a second slice for 6 pm – midnight. There would be two different peaks for each respective Slice of Day that would have to be met with supply-side resources.

At the July 19, 2021, kick-off meeting, CLECA brought up the Slice of Day methodology for evaluating resource effectiveness in meeting RA requirements, while seeking clarification that

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<sup>1</sup> CLECA is an organization of large, high load factor industrial customers located throughout the state; the members are in the cement, steel, industrial gas, pipeline, beverage, food and beverage packaging, cold storage, and mining industries, and share the fact that electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation. CLECA has been an active participant in Commission regulatory proceedings since the mid-1980s, 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

<sup>2</sup> CPUC D.21-06-029 at 35.

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the scope for evaluating demand response counting proposals would include compatibility with the Slice of Day concept. The CEC staff members responded that CLECA's concern was not mentioned in D.21-06-029 which provided the scope to the workshop process. CLECA disagrees with this interpretation and urges the CEC staff to seek clarification from the assigned CPUC Commissioner's office regarding the scope of the workshops. It seems essential to ensure that the recommendations developed through the CEC-managed working group process develop recommendations that are compatible with upcoming changes to the CPUC RA program. Otherwise, a lot of effort will be expended to evaluate and recommend a proposal that may not be suitable in the context of the future changes to the CPUC RA program.

Very truly yours,

s/s Paul D. Nelson  
Consultant to CLECA