DOCKETED	
Docket Number:	21-DR-01
Project Title:	Supply Side Demand Response
TN #:	239997
Document Title:	Presentation - Hybrid QC Methodology Proposal from California Efficiency & Demand Management Council
Description:	N/A
Filer:	Courtney Wagner
Organization:	California Efficiency & Demand Management Council
Submitter Role:	Public
Submission Date:	10/6/2021 4:31:05 PM
Docketed Date:	10/6/2021

Hybrid QC Methodology Proposal

October 4, 2021

CALIFORNIA
Efficiency + Demand Management
COUNCIL

Advancing Our Clean Economy

Initial Thoughts

CALIFORNIA Efficiency + Demand Management COUNCIL

- This hybrid proposal is meant to be a compromise position (LIPs+PJM/NYISO)
  - CEDMC continues to prefer a less complicated methodology balanced w/ penalties or collateral requirements
- There appears to be recognition that QC methodology must be more business-friendly (i.e., easier to use, less costly, more transparent)
- ELCC remains a black box b/c it is only a concept; would need to develop protocols to flesh out the methodology and process
- A more efficient process utilizing streamlined LIPs seems to be the most reasonable given time constraints
  - Benefits include: 1) pre-existing protocols, 2) CPUC and IOU familiarity

Key Elements

- Streamlined LIPs - only those needed to determine short-term QC value (no "nice to have" items)
  - Convene a WG process by which parties work together to identify a sub-set of existing and/or modified LIPs to be reflected in a model
- A publicly-available model that can be accessed online (e.g. Avoided Cost Calculator)
  - Want to ensure some consistency across analytical elements while preserving the flexibility inherent in the LIPs
- Streamlined process with few/no reporting requirements that allows DRPs to participate in all solicitations
- Energy Division would retain oversight role (but with much less work required) and make final determination
- A regular process to validate the accuracy of the model & make adjustments as necessary

Pros & Cons

- Pros
  - Maintains some consistency with current approach
  - Addresses DRP business needs (easier to use, less costly, more transparent) thus eliminating barrier to entry
  - Opens all LSE solicitations to DR capacity
  - Could potentially be applied to DRAM
  - Model can be updated to improve accuracy and as new baseline methodologies become available
  - Energy Division retains oversight role
- Cons
  - Up-front analytical approach and feedback mechanism is administratively burdensome

Questions?

Luke Tougas
l.tougas@cleanenergyregresearch.com
510.326.1931