

DOCKETED

Docket Number:	21-DR-01
Project Title:	Supply Side Demand Response
TN #:	240028
Document Title:	JDRP Comments for Working Group Principles Comments - JDRP Comments for Working Group Principles
Description:	N/A
Filer:	Courtney Wagner
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	10/8/2021 3:37:23 PM
Docketed Date:	10/8/2021

Stakeholder Comments Template - Proposed Consolidation of Principles

Submit comments to: Tom.Flynn@energy.ca.gov

Comments are due October 1 by 5:00 p.m.

All comments received will be posted to CEC Docket 21-DR-01

Instructions: CEC staff is requesting stakeholder comments on the set of nine principles retained, combined, and/or reworded based on stakeholder discussion during the Principles WG meetings held on September 13 and 27. This discussion also resulted in some principles being dropped.¹ Each proposed principle is followed by three questions; please provide a response to each question, as applicable, in the space provided. Toward the end of this comments template, CEC staff is requesting comments, as applicable, in two other areas.

Comments on the refined set of principles

1. Principles #1, #5, #11 combined – **“The QC methodology, including ex-post performance measurement, should be transparent, replicable, and understandable.”**
 - a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*
Enel X and CPower – collectively the Joint DR Parties, support this principle.
 - b. If your organization would require changes to support, what changes would your organization suggest? *Response:*
n/a
 - c. Explain your organization’s support or opposition of this principle. *Response:*

¹ Principles #4, #7, #13, #14, #15, #16, #17, #18, #20, #21, #22 were dropped based on stakeholder discussion.

The Joint DR Parties believe it is critical that any QC process employs a methodology and yields results that are transparent, replicable, and understandable. A resource owner and developer should be able to know how their resource will be evaluated and what outcome is expected. Today's LIP process is problematic for the very reason that it does not meet these objectives.

2. Principles #2, #3 combined – **“The QC methodology should be forward-looking and use the most current information regarding resource capabilities, including historical performance data where possible.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties support this principle.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

n/a

- c. Explain your organization's support or opposition of this principle. *Response:*

The Joint DR Parties, as DR and BTM DER resource providers, build and grow resources in response to changing grid needs. Past performance should be looked at as a minimum resource capability. We constantly evaluate customer participation in the resources we build for different program opportunities and seek to improve their reliability with more accurate estimations of resource performance, and find customers that continue to make improvements to support their performance through process and technology upgrades. Historical performance can help inform future performance expectations, with additional forward-looking information on asset/customer additions, removal of underperforming customers, and technology improvements. A non-forward looking evaluation would never permit resource growth and improvement.

3. Principle #6 – **“The QC methodology should be sufficiently fast and easy to update to enable DR providers to participate in all capacity solicitations.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties support this principle.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

n/a

- c. Explain your organization's support or opposition of this principle. *Response:*

Demand Response and Distributed Energy Resources, at least those comprised of commercial and industrial customers, are generally constructed to meet a specific resource need and adhere to a program or market commitment. Curtailment DR is the fastest resource to be constructed in response to a new or expanded market need – not requiring interconnection or construction times in most instances. BTM DERs like energy storage do entail interconnection and development timelines, but these are typically significantly expedited compared to in-front-of-the-meter or utility-scale counterparts. However, a slow and costly qualifying capacity process like the LIPs prevents resources from being considered in all-source capacity solicitations. A QC process should be nimble enough to ensure that these resources are not artificially constrained from competing to fill capacity and grid reliability needs.

4. Principle #8 – **“The QC methodology should be compatible with individual DR resources and aggregations of resources.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties, suggest a change to support, as follows.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

As further described in “Comments about principles not included,” the Joint DR Parties believe this principle could be expanded to state that the QC methodology should be capable of making its assessments based on the specific resource composition, including considerations of customer class, facility type, and any backing or enabling technologies.

- c. Explain your organization's support or opposition of this principle. *Response:*

The Joint DR Parties agree that the QC methodology should be compatible with both individual resources and aggregations of resources.

5. Principle #9 – **“The QC methodology should be consistent and compatible with the RA program.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties require changes to support.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

The Joint DR Parties recommend that either within this principle, or in a separate principle, it be acknowledged that the evaluation of a resource's Qualifying Capacity matches up temporally with the RA need it is expecting to fill. For example, if a Slice of Day RA construct, as being contemplated and workshopped by the CPUC, is implemented, a resource's QC should be judged specific to the time period(s) for which it is proposing to provide capacity value. For example, a resource may be very capable during a variety of "slices" that overlap with underlying customer operations, but not be available in the middle of the night. If this DR resource is being built and marketed as available to slices of the day that correspond to its availability, its capabilities should not be judged on a 24x7 basis. We do not disagree that the QC methodology should be compatible with the RA program, but feel there is a lack of recognition that the RA program, both with its current availability assessment hours, and with a likely transition to Slice of Day, has a temporal element.

c. Explain your organization's support or opposition of this principle. *Response:*

n/a

6. Principle #10 – **"The QC methodology should account for all factors that substantially influence DR variability."**

a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties need changes to this principle.

b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

This principle needs to be tempered to consider not simply variability, but how a resource, its variability, and its availability may come into play when the resource is needed. For example, is this a temperature-sensitive resource that will show up in excess during high temperature days, when we typically see high loads? Is a resource's variability or availability time period specific? Are there differences in variability and availability between different backing customer types and enabling technologies?

c. Explain your organization's support or opposition of this principle. *Response:*

There needs to be a recognition that not all DR resources have significant intrinsic variability, as this principle appears to insinuate, and that some variability can correlate highly in a positive way. This includes for relatively weather-insensitive loads, and customers who achieve DR performance through enabling technology like BTM storage.

7. Principle #12 – **"The QC methodology should account for the use-limited, availability-limited, and variable-output nature of DR."**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties oppose this principle.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

n/a

- c. Explain your organization's support or opposition of this principle. *Response:*

The Joint DR Parties find this principle redundant with Principle 10, which as we suggest above should be fleshed out to also include availability. Having both principles operating in parallel could appear as an effort to derate the resource.

8. Principle #19 – **“The QC methodology should accurately account for DR’s contribution to reliability.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

- c. Explain your organization's support or opposition of this principle. *Response:*

The Joint DR Parties are not sure of what this principle is trying to achieve. Participating in the CEC's Working Group process to determine a DR QC methodology is to evaluate the RA contribution of a DR resource.

9. Principle #23 – **“The QC methodology should, to the extent possible, rely on software or code that is available at nominal cost to DR providers.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle. *Response:*

The Joint DR Parties recommend a change to this principle.

- b. If your organization would require changes to support, what changes would your organization suggest? *Response:*

The Joint DR Parties recommend a change to the principle as follows:

The QC methodology should, to the extent ~~possible~~ **necessary**, rely on software or code that is available at nominal cost to DR providers

- c. Explain your organization's support or opposition of this principle. *Response:*

The Joint DR Parties support the proposal put forward by the CEDMC that mirror capacity valuations in the eastern RTOs, where prior performance of DR resources would be carried forward and resource growth, or the creation of new resources, be collateralized to ensure its existence and performance, rather than requiring an administratively set QC value. This principle, as written, assumes that modeling will be necessary to develop QC values. The Joint DR Parties oppose that idea as being un-necessary to achieve the principles being laid out. However, to the extent that the current modeling-intensive methods for developing a resource's QC value continue going forward, we support the concept that the underlying software and code be available at nominal cost to market participants.

Comments about principles not included

Please provide any comments concerning principles that your organization believes are missing from the refined set of principles.

Response:

There are two elements the Joint DR Parties recommended above be incorporated in any final set of principles that we wish to highlight. First, that any assessment of a resource's QC should correspond to its time of use. We are concerned about the elimination of a temporal element in the refined principles list. Second, we believe that it is necessary to include and reflect what is known about the underlying resource and its granularity, -such as the customer class and enabling technologies, in order to help assess the viability of the resource and its expected performance. We would like to see these acknowledged in addition to the principles we supported or supported if changed, above.

Any additional comments

Please provide any additional comments that your organization would like to make.

Response: