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<u>Intra-cycle updates</u>. We are simply asking for stakeholders to submit proposals for resolving this issue. Please put your proposals in a Word document and submit via email by the August 9th deadline to <u>tom.flynn@energy.ca.gov</u> and <u>erik.lyon@energy.ca.gov</u>.

Per OP 11(f) of Decision (D.) 22-06-050, the CEC Working Group is requested to develop recommendations that consider the following issues for the 2025 Resource Adequacy (RA) Year

(f) Whether, and if so what, enhancements to intra-cycle adjustments to DR QC during the RA compliance year, as adopted in Decision 20-06-031, are feasible and appropriate to account for variability in the DR resource in the month-ahead and operational space; and

## Response

OP 15 (b) of D. 20-06-031 makes the following clarifications to the LIP process for third-party demand response (DR) resources. "Mid-year updates are permitted to reflect changes in customer enrollments if the change is reasonably large. In the compliance year, on a biannual basis, Energy Division shall update qualifying capacity (QC) values based on the actual customer enrollment volume associated with that resource in the California Independent System Operator's Demand Response Registration System. LIP results will be updated if QC values vary by more than 20 percent, or 10 MW, whichever is greater."

Like other third-party demand response providers, SCE currently conducts bi-annual checks of any updates to supply-side DR QC, based on changes in enrollments, for the current RA Compliance Year. This process should also be made available for the IOU to update its supply-side DR QC values, not just the exercise of conducting the bi-annual checks, if it varies by more than 20 percent or 10 MW, whichever is greater, due to enrollment changes.

Also, it may be worthwhile to consider the 20-percent threshold required for updating supply-side DR QC values. Depending on the capacity (MW) provided by the supply-side DR resource, 20 percent can actually translate to 60 MW, which is not a negligible amount of capacity.

