#### CALIFORNIA ENERGY COMMISSION

1516 Ninth Street Sacramento, California 95814

Main website: www.energy.ca.gov

DOCKETED 13-IEP-1F

TN 71094

JUN 03 2013

RE: Demand Response



# Notice of Lead Commissioner Workshop on **Increasing Demand Response Capabilities** in California

The California Energy Commission Lead Commissioner for the Integrated Energy Policy Report (IEPR) will conduct a workshop to gather input on public policies needed to expand the amount of automated demand response resources available to California system operators. Demand response (DR) can help address key challenges facing California by: (1) aiding the response to the San Onofre Nuclear Generating Station (San Onofre) outage by lowering critical load, (2) providing low-cost peak reduction services and (3) providing fast automated demand response as a "flexible generationlike product" to support renewable integration and contingency events like the sudden loss of a transmission line.

On May 13, 2013, the California Independent Systems Operator (California ISO) hosted a Demand Response and Energy Efficiency Roadmap Workshop to discuss the challenges of incorporating demand response in the California ISO market as well as other activities necessary to increase demand response capabilities in California. This IEPR workshop will follow these activities and address the use of automated demand response in providing flexible generation and integrating large amounts of renewable resources.

Commissioner Andrew McAllister is the Lead Commissioner. Other commissioners may attend and participate in this workshop. Commissioners and staff from the California Public Utilities Commission may also attend and participate.

> June 17, 2013 10:00 am CALIFORNIA ENERGY COMMISSION 1516 Ninth Street First Floor, Hearing Room A Sacramento, California (Wheelchair Accessible)

Remote Access Available by Computer or Phone via WebEx™ (Instructions below)

### **Agenda**

The purpose of this workshop is to seek input from experts, stakeholders, and the public on the challenges and opportunities of incorporating greater levels of DR in meeting the immediate challenges of the San Onofre outage, lowering electricity demand during peak times, and integrating higher levels of renewable generation into the electricity system.

This workshop will address the differences between DR opportunities from the perspectives of participating customers, DR "aggregators" who serve as intermediaries between customers and grid operators, balancing authorities such as the California ISO, and California utilities. The workshop will also address California's regulatory landscape—particularly opportunities for California to incorporate changes in procurement rules and market structures to take advantage of utility investments in advanced metering and smart grid infrastructure as well as recent advances in automation technologies that facilitate greater levels of automated DR at increasingly lower costs. One possible future direction that will be discussed during the workshop is whether the state's Load Management Standards can be used to assist in resolving some of the open issues.

The Lead Commissioner will consider input from this workshop together with other information from the *2013 IEPR* proceeding to develop strategies for quantifying and capturing additional public benefits for California in DR and other related programs.

## **Background**

While California has made significant progress in achieving renewable, energy efficiency, and greenhouse gas reduction goals, progress toward DR goals has lagged. California state policy has sought to aggressively increase DR participation since 2002, but the 2007 goal of 5 percent price-responsive DR has yet to be met. While California investor-owned utilities have achieved DR participation totaling close to the 5 percent goal, it comes largely from traditional reliability programs originally intended to address system emergencies and can only be triggered under limited circumstances.

During that same time frame, the Energy Commission's Energy Research and Development Division has worked actively with researchers, utilities, national laboratories, and others to develop and demonstrate methodologies to provide automated DR in the commercial, industrial and residential markets. In addition to providing peak load reduction capabilities, research and demonstration show that this automated DR can also provide flexible generation-like responses fast enough to be part of the California ISO's ancillary service markets.

The 2012 IEPR Update recognized the increasing need to develop DR resources that could be used not just for peak load reduction, but to help integrate the intermittent renewable resources required to meet the 33 percent Renewables Portfolio Standard. In addition, the San Onofre outage in Southern California has created an immediate

need for DR resources but revealed that current program designs and participation levels are inadequate to meaningfully contribute to meeting that need.

The focus of this workshop is on assessing the barriers to facilitating rapid expansion of DR to address the three key issues outlined above. The workshop will provide an opportunity for an open dialog between key stakeholders and Energy Commission to develop near-term DR capabilities.

#### **Public Comment**

**Oral Comments.** The IEPR Lead Commissioner will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

**Written Comments.** Written comments should be submitted to the Dockets Office by **July 1, 2013**. Written comments will also be accepted at the workshop, however, the Energy Commission may not have time to review them before the conclusion of the workshop. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission's website for this proceeding.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 13-IEP-1F and indicate Demand Response in the subject line. Send comments to **docket@energy.ca.gov** and copy the technical lead staff at David.Hungerford@energy.ca.gov.

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 13-IEP-1F
1516 Ninth Street
Sacramento, CA 95814-5512

#### **Public Adviser and Other Commission Contacts**

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If you have a disability and require assistance to participate, please contact Lou Quiroz at Lou.Quiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at (916) 654-4989, or by e-mail at mediaoffice@energy.ca.gov.

If you have questions on the technical subject matter of this meeting, please contact David Hungerford at (916) 327-2341 or by e-mail at David.Hungerford@energy.ca.gov. For general questions regarding the IEPR proceeding, please contact Lynette Green, IEPR project manager, at (916) 653-2728 or by e-mail at Lynette.Green@energy.ca.gov.

The service list for the 2013 IEPR is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at www.energy.ca.gov/2013\_energypolicy/index.html. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website www.energy.ca.gov/listservers/index.html.

#### Remote Attendance

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## **Availability of Documents**

Documents and presentations for this meeting will be available online at www.energy.ca.gov/2013\_energypolicy/documents/index.html.

Date: June 3, 2013

ANDRÉW MCALLISTER, Ph.D.

**Lead Commissioner** 

2013 Integrated Energy Policy Report

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