



**FILED**

08-12-10

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking regarding policies and protocols for demand response load impact estimates, cost-effectiveness methodologies, megawatt goals and alignment with California Independent System Operator Market Design Protocols.

Rulemaking 07-01-041  
(Filed January 25, 2007)

**ADMINISTRATIVE LAW JUDGE'S RULING ON  
PHASE FOUR DIRECT PARTICIPATION ISSUES**

California Public Utilities Commission (Commission or CPUC) Decision (D.) 10-06-002<sup>1</sup> directs the Investor Owned Utilities (IOUs) to prepare to bid Demand Response from existing Participating Load Pilot (PLP) programs into the California Independent System Operator's (CAISO's) wholesale market as a Proxy Demand Resource (PDR). The Decision reserves the Commission's final judgment on whether and to what extent the IOU PLP's should be authorized to bid into wholesale markets as PDR until after the Federal Energy Regulatory Commission (FERC) approves a final version of the CAISO's PDR tariff.<sup>2</sup>

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<sup>1</sup> The June 3, 2010 *Decision on Phase Four Direct Participation Issues* in Rulemaking 07-01-041 directed interested parties to "closely monitor FERC Docket No. ER10-765 and be prepared to expeditiously evaluate the FERC's decisions on the proposed PDR product and comment on whether the CPUC should order the IOUs to participate in the CAISO's PDR bidding process after such tariff language is finally approved by the FERC." D. 10-06-002 at 20.

<sup>2</sup> See D.10-06-002 at 20.

On July 15, 2010, FERC conditionally approved the CAISO's PDR tariff.<sup>3</sup> The Commission requests expedited party input on whether and to what extent the IOU's should be authorized to participate in the CAISO's PDR product bidding, as conditionally approved by the FERC's Order Conditionally Accepting Tariff Changes and Directing Compliance Filing.<sup>4</sup>

**IT IS RULED** that:

1. Parties may file comments on whether and to what extent the Investor Owned Utilities should be approved to bid their Participating Load Pilot programs as Proxy Demand Resources, as conditionally approved by Federal Energy Regulatory Commission order ER10-765-000, by August 27, 2010.

2. Parties may file Reply comments on or before September 3, 2010.

Dated August 12, 2010, at San Francisco, California.

/s/ DARWIN E. FARRAR

Darwin E. Farrar  
Administrative Law Judge

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<sup>3</sup> *Order Conditionally Accepting Tariff Changes and Directing Compliance Filing*, issued on July 15, 2010, in Docket No. ER10-765, available at [http://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20100715-4001](http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20100715-4001)

<sup>4</sup> See *Ibid.*

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Dated August 12, 2010, at San Francisco, California.

/s/ SANDRA M. JACKSON

Sandra M. Jackson

**N O T I C E**

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