



FILED

11-08-10
03:41 PM

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 SOLICITING RESPONSES
ON REMAINING DIRECT PARTICIPATION ISSUES (PHASE IV, PART 2)**

1. Summary

Decision (D.) 10-06-002 directs the Investor Owned Utilities (IOUs) to prepare to bid demand response into the California Independent System Operator's (CAISO) wholesale markets using Proxy Demand Resource (PDR) pilot programs.¹ D.10-06-002 also identified several issues that must be resolved before the California Public Utilities Commission (Commission or CPUC) allows direct bidding of IOU retail customers' Demand Response capabilities by third-party Demand Response Providers (DRPs) into the CAISO's markets, as well as issues that may be considered at later dates. This ruling solicits further

¹ *Decision On Phase Four Direct Participation Issues*, issued on June 3, 2010 in Rulemaking (R.) 07-01-041, available at http://docs.cpuc.ca.gov/WORD_PDF/FINAL_DECISION/118962.DOC. The decision noted that pilot PDR participation by the IOUs can occur only after Federal Energy Regulatory Commission (FERC) approval of CAISO's PDR tariff, and a subsequent CPUC order that finds CAISO's approved tariff to be acceptable.

input from parties on consumer protection, financial settlement and communication, and other issues that require resolution before the Commission allows direct bidding in the CAISO's markets.

2. Background

As part of its general mandate to increase California's reliance upon Demand Response² resources, the California Public Utilities Commission (Commission or CPUC) intends to better integrate Investor Owned Utility (IOU) Demand Response programs into the California Independent System Operator's (CAISO) price-based markets.³ The Federal Energy Regulatory Commission (FERC) has developed similar concepts, noting that the wholesale electric power market works best when demand can respond to wholesale prices. FERC has issued orders over the last several years on various aspects of electric demand response in organized markets with the goal of removing unnecessary obstacles to demand response participation in the Regional Transmission Operators' (RTOs) and Independent System Operators' (ISOs) wholesale power markets.⁴

² "Demand response can be defined as changes to electric usage by end-use customers from their normal consumption patterns in response to changes in the price of electricity over time, to incentive payments, or to reliability conditions." Assigned Commissioner and Administrative Law Judges' Ruling Amending Scoping Memo, issued on November 9, 2009 in Rulemaking (R.) 07-01-041.

³ Decision (D.) 09-08-027, Decision Adopting Demand Response Activities and Budgets for 2009 Through 2011 at 30-31, 121-122 and Findings of Fact (FOF) 4, Ordering Paragraphs (OP) 24-27; D.10-06-034, Decision Adopting Settlement Agreement on Phase 3 Issues Pertaining to Emergency Triggered Demand Response Programs at 3.

⁴ FERC Order 719, issued on October 28, 2008 in Docket Nos. Docket Nos. RM07-19 and AD07-7, at 10 available at http://elibrary.ferc.gov/idmws/file_list.asp?document_id=13656106.

2.1. FERC/CAISO History

FERC Orders 719 and 719-A require RTOs and ISOs to amend their market rules as necessary to permit retail customers to bid their own demand response capabilities directly into the RTO's or ISO's organized markets, either on their own behalf or through Demand Response Providers (DRPs) unless the state or local regulatory authority expressly prohibits such action.⁵ The process of retail customers bidding their demand response capability into wholesale energy markets is referred to as "direct participation."

The CAISO's efforts to implement direct participation of retail customers' Demand Response in CAISO's markets currently comes in the form of the Proxy Demand Resource (PDR) product.⁶ Under the CAISO's proposal, a PDR is defined as "a load or an aggregation of loads capable of measurably and verifiably reducing their electric demand in response to ISO dispatch instructions."⁷ As set forth in the CAISO's PDR tariff filing, the load of these retail customers who choose to bid their Demand Response capabilities into the CAISO markets (or elect to have a DRP bid on their behalf) will continue to be served by Load Serving Entities (LSEs). The CAISO's PDR product will allow a retail customer or a DRP to submit demand reduction bids directly to the CAISO

⁵ FERC Order 719, issued on October 28, 2008 in Docket Nos. Docket Nos. RM07-19 and AD07-7, available at http://elibrary.ferc.gov/idmws/file_list.asp?document_id=13656106; and FERC Order 719-A, issued on July 16, 2009, available at <http://www.ferc.gov/whats-new/comm-meet/2009/071609/E-1.pdf>. FERC Orders 719 and 719-A use the term Aggregator of Retail Customers (ARC). For the purposes of this ruling, the term DRP is synonymous with ARC.

⁶ *CAISO Tariff Amendment to Implement Proxy Demand Product*, filed on February 16, 2010 in FERC Docket No. ER10-765.

⁷ *Id.*, Transmittal Letter at 2.

through a Scheduling Coordinator, similarly to bids submitted by a generator. This means that PDR resources would be included in the supply stack along with traditional generating resources in the CAISO's wholesale markets to fulfill expected demand. The CPUC actively participated in the development of, and generally supported the CAISO's proposed PDR product.⁸

On July 15, 2010, the FERC issued an order conditionally approving the CAISO's PDR tariff (FERC PDR Order).⁹ The CPUC is currently considering whether the FERC PDR Order satisfies the CPUC's need for an acceptable product through which CPUC jurisdictional retail customers will be permitted to bid their Demand Response capabilities into the CAISO's wholesale markets.¹⁰

2.2. CPUC History

In response to the FERC's Orders 719 and 719-A, the Assigned Commissioner amended the Scoping Memo in this Rulemaking to initiate the Direct Participation phase of this proceeding and commenced a process to:

[I]dentify whether there are state laws and/or rules that either directly or indirectly prohibit retail customers from bidding into CAISO wholesale markets. This Ruling further seeks input on whether any such prohibitory laws and/or rules warrant modification in light of the potential benefits arising from

⁸ Notice of Intervention And Comments of the California Public Utilities Commission Regarding California Independent System Operator's February 16th, 2010, Filing Regarding Proxy Demand Resource Product, filed on March 9, 2010 in FERC Docket No. ER10-765.

⁹ *Order Conditionally Accepting Tariff Changes and Directing Compliance Filing* (FERC PDR Order), issued on July 15, 2010, in Docket No. ER10-765, available at http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20100715-4001.

¹⁰ Administrative Law Judge's Ruling on Phase Four Direct Participation Issues, issued on August 12, 2010 in R.07-01-041.

additional Demand Response options in California, and if so, what modifications to state laws and/or rules are necessary to support the CAISO's efforts to allow direct participation. Finally, this Ruling requests comment on technical and/or policy issues or challenges that the Commission should address that may arise from CAISO's compliance with this FERC order, with specific proposals for how those challenges may be addressed.¹¹

The CPUC's ensuing Direct Participation Decision, D.10-06-002, issued on June 3, 2010, found that the Demand Response of utility bundled retail customers should not be bid into the CAISO markets by DRPs until the Commission has developed consumer protection policies.¹²

In the Direct Participation Decision, the CPUC recognized the need to take additional time to develop a more complete record to resolve outstanding issues surrounding consumer protection, the possible need for financial settlements, and communication protocols between the IOUs and DRPs. Thus, this proceeding will seek to address issues that require resolution before the Commission allows more extensive DR participation in the CAISO markets. This ruling solicits specific input from parties on whether and what consumer protection, financial settlement, and communications policies and measures may be necessary to expand Direct Participation to IOU retail customers that receive services from DRPs. This ruling also outlines a schedule and process by which the issues described in this ruling will be resolved.

¹¹ Assigned Commissioner And Administrative Law Judges' Ruling Amending Scoping Memo, Establishing A Direct Participation Phase Of This Proceeding, And Requesting Comment On Direct Participation Of Retail Demand Response In CAISO Electricity Markets, issued on November 9, 2009 in R.07-01-041 at 2.

¹² Direct Participation Decision at OP 3.

3. Discussion

3.1. Consumer Protections

Issues regarding whether the implementation of direct bidding by retail customers into CAISO markets may give rise to the need for consumer protection first arose in the context of the CPUC's discussion of Commission jurisdiction over DRPs.¹³ For example, SCE argued the Commission can and should require consumer protection related to the terms and conditions under which IOUs can approve an IOU retail customer's participation in a direct bidding program.¹⁴ Similarly, SDG&E argued that the Commission has consumer protection jurisdiction over third-party DR aggregators.¹⁵ EnerNoc Inc., CPower Inc., and Energy Connect Inc. (Joint Parties) countered that state law already provides sufficient consumer protections and that further regulation by the Commission is unwarranted.¹⁶

The Direct Participation Decision addressed the threshold issue of jurisdiction, determining that the Commission does have authority to "develop rules as appropriate to establish the terms and conditions by which the IOUs may authorize their bundled customers' participation in a DRP's direct bidding program."¹⁷ While the Commission did reserve its right to adopt consumer protection policies for direct participation, it declined to declare that adopting

¹³ Direct Participation Decision at 6-11.

¹⁴ SCE Opening Brief, filed on January 22, 2010 in R.07-01-041 at 3-4.

¹⁵ SDG&E Reply Brief (January 29, 2010) at 2, 3.

¹⁶ Joint Parties Opening Brief (January 22, 2010) at 17-19.

¹⁷ Direct Participation Decision at 10.

such policies were necessary¹⁸ or to adopt specific rules to that effect at that time. This proceeding will consider the need for consumer protection policies related to direct participation and, if necessary, prepare to implement appropriate protections.

By this Ruling, Parties are asked to submit comments that address the following questions:¹⁹

- 1) What specific scenarios may arise from the DRP-retail customer relationship that would warrant specific consumer protections for IOU retail consumers?
- 2) Should the CPUC exercise its authority over retail electric consumer protection or leave such issues to be addressed through other policies/forums? If the CPUC should not exercise its authority over retail electric consumer protection, identify the specific consumer protection policies/forums that will sufficiently address the scenarios identified in 1) above.
- 3) If the CPUC should exercise its authority over retail electric consumer protection, are there existing CPUC or external regulatory models or processes that would assist in the development of appropriate consumer protections in this context (e.g., “slamming” and “cramming” prohibitions and Electricity Service Provider registration)?
- 4) What methods could/should the CPUC use to implement consumer protection measures?
 - a) Should the CPUC require DRPs to register with the CPUC? What would be the benefits and/or detriments of any such registration requirements?

¹⁸ Direct Participation Decision, FOF 5.

¹⁹ Parties should not re-argue jurisdictional issues as part of their filing in response to the questions.

What should any such registration entail (for example, identity of corporate officers and bond requirements)?

- b) Should the CPUC implement a consumer complaint process for DRPs, similar to its complaint process for IOUs?
 - c) Alternatively, can the CAISO's Scheduling Coordinator registration process be leveraged to provide benefits that would assist in the protection of retail customers?
 - d) What role, if any, do the IOUs have with a DRP registration process (either at the CPUC or with the CAISO's Scheduling Coordinator registration process, assuming that process could be leveraged)?
- 5) Please set forth a plan for the implementation of any necessary and/or appropriate protections.

3.2. Financial Settlement Issues

Financial settlement issues include: ensuring proper compensation between DRPs and IOUs; developing appropriate mechanisms for fund transfers and minimum credit requirements; and potentially developing pro forma contracts. In the Direct Participation Decision, the Commission determined that the complexities related to settlements could not be resolved based on the available record, and deferred any determination regarding settlements to a subsequent part of this proceeding.

3.2.1. The Need for Financial Settlement

The parties' comments should address the need for financial settlements between DRPs and IOUs. The need for financial settlements arises where the CAISO's PDR rules require an LSE to pay CAISO both for its customers' actual energy use, which was met by generation, and also for the LSE's customers'

potential energy use that was avoided by dispatch of a PDR. Under current tariff rules, if the LSE is an IOU, the IOU can bill its customers only for energy actually used (i.e., “meter spin”), and cannot bill its customers for potential energy use avoided by dispatch of a PDR. The difference between those two quantities (meter spin plus PDR curtailment, minus meter spin) multiplied by an appropriate price, is the amount that parties have referred to in this case variously as the “missing money”²⁰ or the revenue “undercollection.”²¹ Various parties have commented that the LSE cannot avoid this undercollection by either accurately forecasting its load or by itself being the DRP. Parties have stated that, in either case the LSE cannot avoid this undercollection by lowering its demand bid, since the market result of the PDR bid is not known until the CAISO publishes market results after the market closes.²²

3.2.1.1. IOU Revenue Undercollection

In light of the above issues, some parties have asserted that, under the market design for PDR proposed by the CAISO and conditionally approved by the FERC, a financial settlement, i.e., an additional payment beyond those amounts paid or received through the CAISO’s settlement process, from the DRP to the LSE is necessary in order to justly compensate each party for the results from PDR market transactions. In the context of the above discussion of undercollection (brought about by operation of CAISO’s PDR product), parties are requested to brief the Commission on the need for financial settlements

²⁰ DRA Comments, 1/22/2010, at 4.

²¹ SCE Comments, 1/22/2010, at 4, CAISO Reply Comments, 1/29/2010, at 3.

²² SCE, quoted in Report on Direct Participation Phase Workshops, 1/8/2010, at B-8.

between DRPs and IOUs. Parties' comments should address each of the following issues:

- 6) Will the design of the CAISO's PDR product cause LSEs to undercollect revenue from their end-use customers when part of their customers' expected energy use is curtailed by dispatch of a PDR?
- 7) Can the LSE avoid the undercollection described above by either: (a) accurately forecasting its load, or (b) receiving sufficient communications from the DRP?
- 8) In the case where the LSE is also the DRP, will the possible undercollection by the LSE be at least partially offset by the collection from the CAISO of the market price for the curtailed amount of energy by the LSE's affiliated DRP? If so, would this revenue collected from the CAISO by the LSE's affiliated DRP sufficiently compensate the LSE for its revenue undercollection?
- 9) Traditionally, when an IOU calls one of its DR programs, participating customers reduce their energy purchases during some peak demand hours, but the Demand Response is not dispatched into CAISO markets. Does this reduction of energy purchases cause the IOU to experience an undercollection analogous to that discussed in items 6 and 7 above? If so, is the undercollection when an IOU calls one of its own programs comparable in size (on a \$/MWh basis) to that brought about by dispatch of a PDR?

3.2.1.2. Competition Issues Between IOUs and DRPs

DRPs state that if they are required to pay a settlement charge to IOUs for curtailing energy usage to the IOU's customers, this would "clearly tilt the playing field in favor of the IOUs and against direct participation with

third-party DRPs.”²³ They also state that requiring DRPs and their customers to pay a settlement charge to IOUs “would create an economic incentive for customers to remain on utility programs instead of participating directly in CAISO markets.”²⁴

- 10) How is any undercollection associated with an IOU’s own DR program events, as described in item 9 above, handled under current CPUC tariff rules and ratemaking procedures?
 - a. Would this method, if continued, create economically preferential treatment in favor of retail IOU Demand Response programs over third-party DR programs bid into CAISO markets as PDR?
 - b. What would be the rationale for requiring DRPs to make the IOU whole for undercollections due to PDR if IOUs are allowed to spread any revenue undercollections arising from their own retail DR programs among all their customers?
 - c. Are there methods to remove or reduce any such preferential treatment? Which, if any, of those methods are within the scope of OIR.07-01-041, Phase 4?

- 11) When a PDR bid is successful and the PDR performs energy curtailment, the energy price the CAISO will pay the PDR is the Locational Marginal Price (LMP) at the PDR’s specified Custom Load Aggregation Point (CLAP)²⁵. The DRP will presumably pass on some portion of this payment of LMP to its customers.

²³ Comments of ENERNOC, INC., ENERGYCONNECT, INC., AND CPOWER, INC., 1/22/2010, at 11.

²⁴ Comments of ENERNOC, INC., ENERGYCONNECT, INC., AND CPOWER, INC., 1/22/2010, at 11.

²⁵ CAISO, Draft Final Proposal for the Design of Proxy Demand Resource, at 39.

If, instead of enrolling with a DRP's program that is bid directly as PDR, an electricity customer enrolls in an IOU's retail DR program, that IOU program might pay the participating customer a flat \$/MWh energy incentive payment. In this case, the IOU's incentive payment to its program participant may be more or less than the LMP of energy during the curtailment period. Does the DRP contention of an unfair playing field depend on the presumption that current retail IOU DR programs pay retail customers incentives approximately equaling net LMP? What is the current relationship between LMP and retail IOU DR incentive payments?

3.2.1.3. Benefits of Direct Participation

DRPs state that they should not be required to pay IOUs for the undercollections brought about by dispatch of a DRP's PDR resource, because the energy curtailment the DRP will deliver to CAISO's market will benefit the IOU and all buyers in the market by reducing energy prices in CAISO's market. They also state that if they have to pay a settlement to IOUs, the reduced incentive to the DRPs and their customers will reduce the amount of DR they bring to the market as PDR.

- 12) Do the benefits provided by increased DR brought about by direct bidding outweigh any costs to ratepayers arising from IOU undercollection? Please provide supporting evidence from other markets, empirical data, policy or economic analysis.
- 13) How do the benefits provided by direct bidding of PDR reach the LSE and its ratepayers? How do they offset the undercollection by the LSE?
- 14) How widely are the benefits cited in response to question #12 above shared? Do all bundled customers benefit? Do all Direct Access (DA) customers benefit? How evenly are these benefits distributed within and among IOU customer groups, e.g., within bundled customers? Within DA customers? Between bundled and DA customers?

3.2.1.4. Alternatives to Settlements Between IOUs and DRPs

Some parties described a different approach used in eastern U.S. markets to compensate DR providers and charge LSEs for energy purchases.²⁶ Specifically, some eastern ISOs pay the DRP for the demand reduction the DRP achieves, while only ultimately charging the LSE for the energy actually used by the LSE's customers ("meter spin"), leaving the ISO itself with a revenue undercollection. CAISO states that the monies to solve this undercollection (caused if the CAISO were to double-pay for DR) would have to come from charges "allocated to all Scheduling Coordinators that have Measured Demand in the affected Settlement Intervals," which would include "load-serving entities such as municipal utilities, IOUs, electric service providers, the State Water Project, etc. Thus the ISO and its stakeholders understood that the prudent and equitable solution was to *contain settlement impacts amongst the affected parties to that particular settlement*. It was not an acceptable settlement approach to adopt a "market uplift" solution that imposes potentially significant costs on parties not involved in the transaction."²⁷

- 15) Given that the CAISO has chosen not to spread the costs of the undercollection brought about by operation of PDR by using market uplift charges, are there ways that the CPUC could bring about a similar outcome within the existing PDR structure adopted by the CAISO? In other words, are there other feasible methods by which the LSE/DRP could be made whole? Describe any such methods.

²⁶ ENERNOC, CPUC Direct Participation Workshop Compensation Issues, December 17, 2009, at 3.

²⁷ CAISO, Reply Comments, 1/29/2010, at 3.

- 16) If the CPUC chose to spread any such undercollections to IOU ratepayers generally rather than getting a payment directly from the DRPs, would the outcome be more equitable than if the CAISO had chosen the approach used by eastern ISOs described above? Would this approach run counter to the CPUC's usual preferred approach of having rates and incentive payments reasonably reflect cost causation?
- 17) Does one approach or the other (spreading revenue undercollections among all ratepayers vs. recovering them only from DRPs and DR program participants) better incent increased DR participation? Does one approach or the other create undue advantage between IOUs, DRPs and their respective DR mechanisms?
- 18) Are there middle ground allocation options for retail DR program costs that would appropriately incent various forms of DR participation in a non-discriminatory manner?

3.2.2. Straw Proposals on How to Do a Financial Settlement

This ruling also asks parties to develop Straw Proposals offering appropriate financial settlement systems. Straw Proposals should address all of the following questions regarding a financial settlement system so that the Commission has an adequate record to adopt a settlement mechanism, should it determine that one is needed.

- 19) What would be the appropriate method of determining the amount one party would pay another party? Specify the formula that would calculate the amount.
- 20) If the financial settlement formula involves an energy price, specify the source of the energy price, including its (a) market (CAISO Energy, CAISO Ancillary Services, other), (b) time frame (day-ahead, hour-ahead, real-time), (c) averaging period or granularity (one hour, five minute), (d) geographic specificity (Default Load Aggregation Point (DLAP), CLAP, other geographic unit).

- 21) If the financial settlement formula involves an energy quantity, specify the precise method of determining that energy quantity, including: (a) baseline used, (b) source of meter data (CAISO, IOU, DRP), (c) averaging period or granularity (one hour, five minute), and (d) geographic specificity (DLAP, CLAP, other geographic unit).
- 22) If the financial settlement formula involves a capacity or demand quantity, specify the precise method of determining that capacity quantity, including: (a) baseline used, (b) source of meter data (CAISO, IOU, DRP), (c) averaging period or granularity (one hour, five minute), and (d) geographic specificity (DLAP, CLAP, other geographic unit).
- 23) Should the financial settlement process take the form of CPUC-approved standard contract(s), tariffs, or some other vehicle? Be specific.
- 24) What is the appropriate PDR settlement price, if one exists, that ensures:
 - (a) That the resulting total cost of energy is less than or equal to the total cost of energy in the absence of PDR or similar CAISO products?
 - (b) That DRPs, beyond the IOUs, will have sufficient financial incentives to provide DR in California?
- 25) What form of billing and payment procedure should be used for a financial settlement (i.e., electronic funds transfer outside of CAISO, standard inter-scheduling-coordinator (SC) trade, other)?
- 26) Over how many days should PDR transactions be netted and summed for rendering settlement bills? Within how many days after the end of a billing period should payment for the period's net PDR transactions be received?

- 27) What venue and procedures should be used to address and resolve disputes about settlement procedures and transactions?
- 28) What credit requirements should apply to parties participating in CAISO's PDR market? Which types of parties should these credit requirements apply to, what evidence of creditworthiness should be provided, and who should decide whether a party's creditworthiness has been adequately established?
- 29) Are there any items not mentioned above that should be included in a settlement system/protocol?
- 30) Lastly, in D.09-08-027 the CPUC adopted a standardized baseline method for measuring Demand Response performance for settlement purposes between IOUs and its demand response participants. The CAISO has selected a baseline for PDR that differs slightly from the baseline adopted in D.09-08-027. I ask for parties' comments regarding why, for PDR or other CAISO products, it might be more appropriate to use the CAISO PDR baseline.

3.3. Communications Issues

Communications issues concern what information flow is necessary between the LSE, the DRP, and the customer providing the load drop to identify the roles, interactions and responsibilities of all parties. As with settlement issues, in the Direct Participation Decision the Commission determined that the complexities related to communications could not be resolved based on the available record, and deferred any determination regarding communications protocols to a subsequent part of this proceeding.

The communications issues involved with PDR will depend to some extent on what form of financial settlement, if any, is ordered. Assuming that some form of financial settlement is ordered, please provide straw proposals for communication protocols that address the following questions:

- 31) What data will DRPs need from LSEs and Utility Distribution Companies (UDCs) (in cases where the UDC and the LSE are not the same entity) in order to facilitate DRP bidding in CAISO PDR markets?
 - a. Specify whether portions of the data identified above are confidential, and what procedures should be used to appropriately handle confidential data?
- 32) What data will LSEs and UDCs (in cases where the UDC and the LSE are not the same entity) need from DRPs in order to facilitate DRP bidding in CAISO PDR markets?
 - a. Specify whether portions of the data identified above are confidential, and what procedures should be used to appropriately handle confidential data?
- 33) What other services, if any, will DRPs need from LSEs and UDCs (in cases where the UDC and the LSE are not the same entity) in order to facilitate DRP bidding in CAISO PDR markets?
- 34) When must the specified data be received by the recipient? Specify in terms such as "Trade date plus or minus xx minutes or hours".
- 35) What procedures and rules should apply if there is a breakdown in communications between parties. For example, what should happen if a DRP sends required information to the LSE late?
- 36) A matrix entitled "Exhibit C-2, SCE Matrix"²⁸ is attached hereto in Appendix A. That matrix listed possible PDR business processes and timeframes, and indicated roles in each process for IOUs, DRPs, ESPs, the CAISO, and customers. Any party who disagrees with any part of "Exhibit C-2, SCE Matrix" or

²⁸ The matrix was included in the Report on Direct Participation Phase Workshops filed on January 8, 2010 by Southern California Edison.

wishes to add information to that matrix should provide a matrix, using the same layout, indicating the party's view of the necessary business processes, roles, and timeframes.

- 37) Will any part of the PDR processes require provision of ESPs' confidential information? E.g., ESP rates, ESP customer identification? ESP customer load data? If so, please specify the types of such data, and the purpose for which such data would be needed in any process required to implement the CAISO's PDR market.
- 38) Are there any items not mentioned above that should be included in the communications protocols?
- 39) If the Commission does not order a financial settlement between DRPs and IOUs, please indicate which of the above data would not need to be communicated among PDR participants.

3.4. Other Issues

Parties may describe any other issues that require resolution in order for the CPUC to allow direct participation of IOU retail customers in CAISO's markets.

3.5. Schedule

Comments and straw proposals should be filed and served on the Commission's service list for R.07-01-041 consistent with the schedule below. The Commission will host workshops to allow the sponsors of each Straw Proposal to explain their recommendation and solicit party input through comments on the sponsored Straw Proposals. The workshops may also explore other issues/ideas raised in the comments filed by parties.

DATE	EVENT
November 22, 2010	Due date for comments on the need for Financial Settlement
December 6, 2010	Due date for comments on: (1) Consumer Protection Issues and (2) Straw Proposals on Financial Settlement and Communication Protocols
January 11 - 13, 2011	Workshops (Facilitated by assigned Administrative Law Judge Farrar, and Energy Division staff)
January 24, 2011	Workshop Reports filed by IOUs
February 3, 2011	Comments on Workshop Reports by Parties
February 10, 2011	Reply Comments by Parties
March 2011	Proposed Decision Mails
April 2011	Proposed Decision on Agenda

IT IS RULED that:

1. Parties may file comments on the consumer protection issues as described in this ruling by December 6, 2010.
2. Parties may file comments on the need for financial settlements as described in this ruling by November 22, 2010.
3. Parties may file straw proposals on financial settlement and communication protocols as described in this ruling by December 6, 2010.
4. A workshop shall be held January 11- 3, 2011.
5. The workshop report shall be filed by the Investor Owned Utilities by January 24, 2011.

6. Parties may file comments on the workshop report by February 3, 2011.
7. Parties may file reply comments by February 10, 2011.

Dated November 8, 2010, at San Francisco, California.

/s/ DARWIN E. FARRAR

Darwin E. Farrar
Administrative Law Judge

APPENDIX A

INFORMATION	FROM WHO	TO WHO	WHEN
PDR Agreement	DRP	CAISO	Registration
DRP Registration	DRP	CPUC	Registration
Verify DRP Registration	UDC, LSE	CPUC	Registration
Verify DRP Registration	UDC, LSE	CAISO	Registration
CISR for access to Customer Information	DRP	LSE(ESP/IOU)	TBD by Customer
Customer SA Number for enrollment	LSE	DRP	When enrolled
Demand Response Service Request (DRSR) to enroll customer	DRP	LSE, UDC (& old DRP if applicable)	When enrolled
Verify customer eligibility	UDC, LSE (& old DRP)	DRP, Customer	When enrolled
PNode assignment	CAISO, UDC	DRP	When enrolled
Register location (customer) with CAISO	DRP	CAISO	When enrolled
Inform LSE & UDC of customer enrollment	CAISO	LSE & UDC	When enrolled
Verify customer eligibility	UDC, LSE	CAISO	When enrolled
APNode assignment for Registration (Customer)	DRP	LSE & CAISO	When enrolled or updated
PDR CLAP Assignment for participating SAs	DRP	LSE & CAISO	When enrolled or updated
PDR being bid	DRP	CAISO	With Bid
DRP accepted bid amount and informs the LSE of the new forecast for Unscheduled Deviation purposes	CAISO	LSE & DRP	CMRI, After market close + Settlement
Provides meter data to calculate baseline	LSE's MDMA	DRP & CAISO	Following Day
Calculates Baseline	CAISO or DRP	CAISO or DRP AND LSE	Following Day
Provides meter data to calculate performance	LSE's MDMA	DRP & CAISO	Day After Event
Aggregates individual meter data into Registration	DRP	CAISO, (LSE?)	Day After Event
into PDR	CAISO	DRP, LSE	Day After Event
Calculates Performance	CAISO or DRP	CAISO or DRP AND LSE	5 days after event
Points for further discussion			
Additional steps TBD and will be added later			

(END OF APPENDIX A)

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated November 8, 2010, at San Francisco, California.

/s/ GLADYS M. DINGLASAN
Gladys M. Dinglasan

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.