

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
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Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2016 and 2017 Compliance Years.

Rulemaking 14-10-010  
(Filed October 16, 2014)

**NOTICE OF EX PARTE COMMUNICATION OF ENERNOC, INC.**

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, EnerNOC, Inc. (EnerNOC) hereby gives notice of the following ex parte communication.

The communication occurred at 1:30 p.m. on Tuesday, May 10, 2016. The communication was oral and took place by telephone call to the Commission's offices at 505 Van Ness Avenue, San Francisco, California 94102.

The communication was initiated by telephone call by Mona Tierney-Lloyd, Senior Director, Western Regulatory Affairs, for EnerNOC, to Leuwam Tesfai, energy advisor to Commissioner Liane Randolph. No one else participated on this phone call at the time of the communication.

Ms. Tierney-Lloyd stated that the purpose of the meeting was to discuss a proposal made in R.14-10-010 (RA) to require 20-minute notification in order for demand response (DR) resources to qualify as a local capacity resource. Ms. Tierney-Lloyd indicated that EnerNOC, as part of the Joint DR Parties, has contested this proposal both in this proceeding and before the California Independent System Operator (CAISO). Ms. Tierney-Lloyd explained that the requirement of a 20-minute dispatch for DR resources to qualify as local capacity resources is part of CAISO's proposed amendment to its Business Practice Manual (BPM) in PRR 854. According to

Ms. Tierney-Lloyd, CAISO's proposal results in a change in the performance requirements of resources to meet a local capacity requirement, outside of a Commission process, for which the Commission has jurisdiction to determine resource requirements to meet resource adequacy. Ms. Tierney-Lloyd stated that EnerNOC's position, as shared with the Joint DR Parties in their appeal of PRR 854, is that CAISO's amendment is legally, procedurally, and substantively in error.

With respect to R.14-10-010 (RA), Ms. Tierney-Lloyd advised that CAISO has made a proposal to do essentially the same thing as it has included in its BPM process (PRR 854) – namely, to require resources to either have adequate energy to be available for frequent dispatch on a pre-contingency basis or to be available to be dispatched with 20-minutes notification. In R.14-10-010 (RA), Ms. Tierney-Lloyd noted that, in their comments and proposals, the Joint DR Parties have contended that, since the parties have not had an opportunity to engage on the substance of this change in a stakeholder process, it is unclear as to what is meant by frequent dispatch or adequate energy or what constitutes a pre-contingency condition. According to Ms. Tierney-Lloyd, it is also unclear as to whether the operational requirements are consistent with the assumptions that underlie both the CAISO's Transmission Planning Process and the Commission's Long-Term Procurement Planning (LTPP) proceeding, which is the occurrence of the single-most severe contingency, an N-1-1,<sup>1</sup> during a 1:10 year weather event.

Ms. Tierney-Lloyd stated that, since it is the Commission's responsibility to adopt RA requirements, the Commission's decision making must be informed by facts. Yet,

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<sup>1</sup> In the TPP and the LTPP, an N-1-1 event is the sequential loss of two major transmission corridors in Southern California.

Ms. Tierney-Lloyd confirmed that there are no facts in R.14-10-010 (RA) that the Commission can rely upon to resolve the uncertainty described above with the exception of an analysis of the frequency that DR resources may be dispatched that was provided in San Diego Gas and Electric Company's (SDG&E's) Revised Proposals and Responses to ALJ's Ruling filed and served in this proceeding (R.14-10-010 (RA)) on March 25, 2016.<sup>2</sup>

In that regard, Ms. Tierney-Lloyd stated that, in its Response, SDG&E analyzed the frequency with which DR resources would need to be dispatched during the occurrence of 1:10 year weather assuming two levels of DR penetration: 100 MW and 500 MW, both of which far exceed current levels of DR penetration in SDG&E's service territory. Ms. Tierney-Lloyd further stated that, under these assumptions, SDG&E calculated 10 hours of dispatch, with 100 MW of DR penetration, and 50 hours of dispatch with 500 MW of penetration, both of which are achievable for DR resources. Ms. Tierney-Lloyd also noted that SDG&E had commented that, since weather is predictable, day-ahead notification could be provided to DR resources, akin to that provided to generation resources.

Ms. Tierney-Lloyd concluded by discussing the fact that all DR resources are not the same and do not have the same ability to curtail upon short notification. Ms. Tierney-Lloyd stated that, as such, it is likely that a significant amount of local DR capacity could be needlessly lost, and the loss of those resources could make the remaining resource difficult to manage from a performance standpoint. Lastly, Ms.

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<sup>2</sup> SDG&E's Response is publicly available on the Docket Card for R.14-10-010 (RA); however, as a courtesy, Ms. Tierney-Lloyd forwarded the link to the Response in that Docket Card to Ms. Tesfai. See: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M161/K671/161671134.PDF> .

Tierney-Lloyd referenced that PJM has a requirement for DR resources to be dispatchable within 30 minutes notification, but allows such a resource to seek an exemption if it is physically incapable of meeting that notification for up to 2 hours.

To obtain a copy of this notice, please contact:

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Respectfully submitted by:

May 12, 2016

/s/ SARA STECK MYERS  
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