

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



**FILED**

8-12-16  
04:59 PM

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

Rulemaking 13-09-011  
(Filed September 19, 2013)

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

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

On August 10, 2016, Matthew Duesterberg, CEO of OhmConnect, and John Anderson, Policy Director at OhmConnect, met with Matthew Tisdale, advisor to Commissioner Florio. The meeting was initiated by Mr. Duesterberg and took place at the Commission's office in San Francisco. The meeting lasted approximately 60 minutes and the communications were exclusively oral.

The meeting was initiated based on concerns that the 2017 DRAM auction results may not adhere to the market rules as defined by CPUC Resolutions E-4728 and E-4754 and Decision D-16-06-008. Mr. Duesterberg discussed:

- The limitations on the 2017 DRAM established by Resolution E-4754;
- A concern about double counting "old" Rule 24/32 registrations by both 1) reducing the total "available" registrations; and 2) evaluating offers based on the "total" registrations as opposed to just "new" registrations; and
- How the residential "set-aside" was misapplied by using it as a constraint rather than a method to procure offers out of merit order. During this discussion, Mr. Anderson presented two tables to compare what may have occurred in the 2017 DRAM auction

(see Table 1 below) versus what should have occurred in the 2017 DRAM auction

(see Table 2 below)

**Table 1: A hypothetical example that shows a list of offers rank-ordered by NPV with yellow shading to indicate offers that are accepted. In this example, the auction solution incorrectly uses the residential "set-aside" as a constraint instead of a means to procure offers out of merit order.**

Offer No.	August MW	Residential	Total Bid Cost (\$)	Calculated NPV (\$/kW-yr)	Cumulative Cost	Cumulative % MW Residential
1	10	N	800,000	135	800,000	0%
2	10	N	1,000,000	125	1,800,000	0%
3	6	Y	500,000	120	2,300,000	23%
4	8	N	750,000	112	3,050,000	18%
5	4	Y	400,000	110	3,450,000	26%
6	7	N	850,000	100	4,300,000	22%
7	8	N	900,000	95	5,200,000	19%
8	5	N	650,000	92	5,850,000	17%
9	3	Y	400,000	90	6,250,000	21%
10	2	Y	250,000	85	6,500,000	24%

**Table 2: A hypothetical example that shows a list of offers rank-ordered by NPV with yellow shading to indicate offers that are accepted in merit order and red shading to indicate offers that are accepted out of merit order. In this example, the residential "set-aside" is properly applied, enabling offers to be procured out of merit order while meeting the requirements set forth by the Commission.**

Offer No.	August MW	Residential	Total Bid Cost (\$)	Calculated NPV (\$/kW-yr)	Cumulative Cost	Cumulative % MW Residential
1	10	N	800,000	135	800,000	0%
2	10	N	1,000,000	125	1,800,000	0%
3	6	Y	500,000	120	2,300,000	23%
4	8	N	750,000	112	3,050,000	18%
5	4	Y	400,000	110	3,450,000	26%
6	7	N	850,000	100	4,300,000	22%
7	8	N	900,000	95	5,200,000	19%
9	3	Y	400,000	90	5,600,000	23%
10	2	Y	250,000	85	5,850,000	26%
8	5	N	650,000	92	6,500,000	24%

Finally, Mr. Duesterberg discussed certain concerns about the utilities' ability to administer this auction and future DRAM auctions due to these issues.

Respectfully submitted,

August 12, 2016

/s/ MATTHEW DUESTERBERG

Matthew Duesterberg  
CEO  
OhmConnect, Inc.  
350 Townsend St., Suite 210  
San Francisco, CA 94107  
Telephone: (404) 881-8659  
Email: [matt@ohmconnect.com](mailto:matt@ohmconnect.com)