

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



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Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local Procurement Obligations.

Rulemaking 09-10-032  
(Filed October 29, 2009)

**REPLY COMMENTS OF NORTH AMERICA POWER  
PARTNERS LLC ON ORDER INSTITUTING RULEMAKING**

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Date: November 20, 2009

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
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Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local Procurement Obligations.

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**REPLY COMMENTS OF NORTH AMERICA POWER PARTNERS LLC ON  
ORDER INSTITUTING RULEMAKING**

Pursuant to the Order Instituting Rulemaking 09-10-32 (“Order”), North America Power Partners LLC (“NAPP”) respectfully submits the following reply comments on the scope of this proceeding.

**I. NAPP’S INTEREST IN R.09-10-032**

NAPP is a privately held company based in Mount Laurel, New Jersey. NAPP is a full service demand response (“DR”) aggregator focused solely on developing reliable demand response resources in California and other states. As a provider of DR resources in California, NAPP has a direct interest in the Commission’s efforts to establish rules and polices affecting demand response and other energy resources.

The scope for the resource adequacy (“RA”) rulemaking will have a significant impact on DR resources. Accordingly, NAPP responds to initial comments submitted in this proceeding regarding identification of “what types of Demand Response programs are counted for RA and how these programs are classified and counted.”<sup>1</sup>

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<sup>1</sup> Order, Appendix A. at p. 1.

## II. COUNTING OF DEMAND RESPONSE FOR RESOURCE ADEQUACY

As identified by the Energy Division, NAPP agrees that it is appropriate to consider DR resources in the RA program and believes that the related issues should be given priority in this proceeding. NAPP highlights the importance of DR for meeting resource adequacy capacity and agrees with other parties who support the adoption of Commission policy that “recognizes the value of demand response programs by counting those programs toward resource adequacy.”<sup>2</sup> Further, as the California Independent System Operator Corporation (“CAISO”) points out, this proceeding would facilitate discussion of the integration of the majority of DR that participates in retail demand response programs into the ISO markets and systems.<sup>3</sup> Discrepancies between the Commission’s RA requirements and the CAISO’s Standard Capacity Product may create special problems for DR and must be reconciled. Further, coordination with the CAISO’s Proxy Demand Resource (“PDR”) product is necessary now in light of the CAISO’s upcoming submission to the Federal Energy Regulatory Commission that will permit direct participation of DR resources into its wholesale markets.<sup>4</sup> The Commission’s consideration of the role of DR in providing RA capacity should be undertaken in parallel with the CAISO’s efforts to implement the PDR initiative.

Accordingly, NAPP supports including the Commission’s consideration of demand response resources for resource adequacy compliance within the scope of this

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<sup>2</sup> Initial Comments of EnerNOC, Inc. at p. 3.

<sup>3</sup> Comments of the CAISO on Order Instituting Rulemaking at p. 4-5.

<sup>4</sup> CAISO expects submission to FERC in early 2010; *See* CAISO Presentation, Release Planning Implementation Workshop, available at <http://www.caiso.com/245e/245e85a360ce0.pdf>.



**CERTIFICATE OF SERVICE**

I, Lisa Vieland, certify that I have on this 20th day of November 2009 caused a copy of the foregoing

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to be served on all known parties to R.08-10-032 listed on the most recently updated service list available on the California Public Utilities Commission website, via email to those listed with email and via U.S. mail to those without email service. I also caused courtesy copies to be hand-delivered as follows:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of November 2009 at San Francisco, California.

/s/ Lisa Vieland  
Lisa Vieland

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