

**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 Reforms and Refinements, and  
Establish Forward Resource Adequacy  
Procurement Obligations.

Rulemaking 21-10-002

**OPENING COMMENTS OF OHMCONNECT, INC. ON PROPOSED DECISION ON  
PHASE 2 OF THE RESOURCE ADEQUACY REFORM TRACK**

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March 23, 2023

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

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

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, OhmConnect, Inc. (“OhmConnect”) respectfully submits these opening comments on the *Proposed Decision on Phase 2 of the Resource Adequacy Reform Track* (“Proposed Decision”) issued on March 3, 2023 in the above-captioned proceeding.

The Proposed Decision tackles a multitude of issues related to the implementation of the new slice-of-day resource adequacy (“RA”) framework beginning with the 2024 test year. OhmConnect’s comments focus solely on Section 5.6 of the PD related to “Demand Response Resource Counting.” For the reasons discussed below, the Commission should:

1. Permit the call window to be defined by the demand response provider to ensure compatibility with the LIP report modeling; and,
2. Retain the current value of the transmission loss factor to correctly reflect the record.

## II. DISCUSSION

### A. The Commission Should Permit the Call Window to be Defined By the Demand Response Provider to Ensure Compatibility With the LIP Report Modeling.

The Proposed Decision correctly concludes that “the value of a DR resource should vary by hour”<sup>1</sup> and sensibly determines that, during the test year, it is “reasonable to limit the hours in which DR resources can be shown to a specific four-hour call window within the [Availability Assessment Hours] AAHs.”<sup>2</sup> However, the Commission’s decision to define that window as 5-9pm does not realistically account for the modeling that has already been largely concluded under the Load Impact Protocols (“LIPs”) for the 2024 delivery year and should therefore be amended.

Specifically, in addition to requiring that demand response providers (“DRPs”) define their capability window as 5-9pm, the Proposed Decision mandates that “the hours when DR is shown by [Load Serving Entities (“LSEs”)] shall be the same as the hours that were used in the *ex ante* LIP filing.”<sup>3</sup> Complying with both of these requirements may be difficult, if not impossible. As in all prior years, most DRPs modeled their capability during a hypothetical 4-9pm event. As such, the LIP reports that will be finalized on April 1 will likely have impact estimates for an event that begins at 4pm *not* 5pm. Simply using the 5-9pm estimates of the modeled 4-9pm event window would undervalue the resource as it would eliminate the first hour of the capability period– the hour that typically has the highest load impacts.

To correct this issue, the Proposed Decision should be amended to permit the DRP to choose a four-hour event window that best matches the *ex ante* modeling that has already been

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<sup>1</sup> Proposed Decision, at 52.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, at 53.

completed for 2024. This may be 4-8pm or 5-9pm or, in March and April, 6-10pm. Because of existing requirements, all modeled events will already fall within the AAH.

**B. The Commission Should Retain the Current Value of the Transmission Loss Factor to Correctly Reflect the Record.**

The Proposed Decision errs in determining that assigning a 0 percent value to the transmission loss factor (“TLF”) is consistent with its conclusion that the adder should be retained. While the Commission “agrees that for the test year, the DLF and TLF adders should be retained to apply to DR,”<sup>4</sup> the Proposed Decision oddly sets the value of the TLF adder to 0 percent. The Proposed Decision aims to “minimize the administrative burden to account for fractional MWs.”<sup>5</sup> The Commission should instead retain the current value of the transmission loss factor.

First, changing the value of the TLF to 0 percent is inconsistent with the determination that “the DLF and TLF adders should be retained.” Rather, it is the equivalent of removing the adder in its entirety. Second, while the Proposed Decision’s intent to reduce administrative burden is reasonable, it is unclear that changing the TLF to 0 percent will actually have this effect. Because the Proposed Decision retains the existing components of the planning reserve margin (“PRM”) adder, Energy Division Staff will still have to calculate its value and submit it as a credit in the CAISO system. Removing one of the two adders for which a credit must be calculated is unlikely to significantly reduce the administrative resources required to facilitate DR’s participation in the RA program. Finally, in removing the TLF for supply-side demand response but maintaining it for load modifying resources, the Proposed Decision creates a

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<sup>4</sup> *Id.*, at 55.

<sup>5</sup> *Id.*

discrepancy in capacity valuation for two otherwise very similar resources that is not supported by the record.

Because the Commission did not find enough evidence in the record to determine that the adder should be eliminated at this time—especially while it is retained for load-modifying demand response—the Commission should similarly conclude that there is not enough evidence to assign the adder a 0 percent value. The Proposed Decision should be revised to retain the value of the TLF at the level that it is today.

Respectfully submitted,

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Dated: March 23, 2023

**Proposed Revisions to the Findings of Facts, Conclusions of Law, and Ordering Paragraphs**

**Findings of Fact:**

17. Limiting the hours in which DR resources can be shown to a four-hour call window within the AAHs during the test year, ~~specifically 5–9 p.m.~~, would mitigate the complexity introduced by allowing DR resources to utilize 24-hour profiles and align the call window for DR year-round.

19. There is consensus among parties to retain the TLF and DLF adders for the slice-of-day test year to apply to the QC of DR. ~~Setting the value of the TLF adder at 0% for the slice-of-day test year minimizes the administrative burden to account for fractional MWs.~~

**Conclusions of Law:**

10. For the 2024 test year, DR resources should be shown for four consecutive hours ~~of 5–9 p.m.~~ within the AAHs during the test year, unless required by contract or tariff to be capable of responding to longer dispatches, in which case the shown hours must include the same hours that were used in the ex ante LIP filing ~~all of 5–9 p.m.~~ The value of DR resources should vary by hour based on the resource’s capability on the worst day of the month under the 1-in-2 planning framework.

11. The TLF and DLF adders should be retained for the test year, ~~with the value of the TLF adder at 0%.~~

## Ordering Paragraphs:

11. For the 2024 test year of the slice-of-day framework, demand response (DR) resources must be shown for four consecutive hours within the availability assessment hours (AAHs) during the test year ~~of 5-9 p.m.~~, unless required by contract or tariff to be capable of responding to longer dispatches, in which case the shown hours must include the same hours that were used in the ex ante Load Impact Protocol (LIP) filing ~~all of 5-9 p.m.~~. The value of DR resources will vary by hour based on the resource's capability on the worst day of the month under the 1-in-2 planning framework. Snap back effects shall be included in the ex ante LIP ~~load impact protocol~~ filings but will not be reflected in the Resource Adequacy capacity counting.

12. For the 2024 test year, transmission loss factor (TLF) and distribution loss factor (DLF) adders will be retained to apply to the qualifying capacity of demand response resources, ~~but the value of the TLF adder for the test year will be 0%.~~