

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

(Filed October 07, 2021)

**CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION
RESPONSE IN SUPPORT OF JOINT MOTION
FOR PARTIAL STAY OF DECISION 23-06-029**

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August 21, 2023

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Pursuant to Rule 11.1(e) of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Large Energy Consumers Association (CLECA)¹ responds in support of the *Joint Motion for Partial Stay of Decision 23-06-029 by the California Efficiency + Demand Management Council, Leapfrog Power, Inc., OhmConnect, Inc., CPower, Enel X North America, Inc., and the Center for Energy Efficiency and Renewable Technologies* (the Motion), filed August 4, 2023.

¹ CLECA member companies produce goods essential for daily life including critical infrastructure, oxygen for hospitals and food distribution. CLECA's members represent the steel, cement, industrial and medical gas, beverage, minerals processing, cold storage, and pipeline transportation industries. Their aggregate electrical demand exceeds 500 Megawatts, which is equivalent to the electricity consumption of approximately 470,000 average California households. CLECA members are large, high load factor and high voltage industrial electric customers in California for whom the price of electricity is essential to their competitiveness and for whom the reliability of electricity service is critically important. For both reasons, CLECA member companies have participated for decades in the Base Interruptible Program (BIP), providing reliability demand response to the grid in times of need.

I. INTRODUCTION

The Motion shows good cause for granting an immediate partial stay of Commission Decision (D.) 23-06-029 (the RA Decision), pending resolution of the Joint Parties’² application for rehearing of the decision (AFR).³ A stay is necessary for mitigating the serious and irreparable harm caused to current demand response (DR) program participants, and to future DR program enrollment.

II. RESPONSE

CLECA urges the Commission to grant the Joint Parties’ request for a partial stay of the RA Decision pending a stay of the application for rehearing (AFR).⁴ Such relief is necessary to mitigate the RA Decision’s serious and irreparable harm to DR program participants, as well as to the long-term availability of Reliability Demand Response Resources (RDRR), including the Base Interruptible Program (BIP), to maintain grid reliability. As demonstrated in CLECA’s response supporting the Joint Parties’ AFR, filed concurrently with this response, the RA Decision’s changes to the RDRR dispatch trigger and elimination of Transmission Loss Factor (TLF) and Planning Reserve Margin (PRM) adders have caused confusion and served to lessen BIP’s value proposition to current and prospective participants.⁵

² The Joint Parties are comprised of: The California Efficiency + Demand Management Council, (“the Council”) Leapfrog Power, Inc. (“Leap”), OhmConnect, Inc. (“OhmConnect”), CPower, Enel X North America, Inc., and Center for Energy Efficiency and Renewable Technologies (CEERT).

³ *Joint Application for Rehearing of Decision 23-06-029 by the California Efficiency + Demand Management Council, Leapfrog Power, Inc., Ohmconnect, Inc., CPower, Enel X North America, Inc., and Center for Energy Efficiency and Renewable Technologies*, R. 21-10-002, August 4, 2023.

⁴ Motion at p. 5 (“[T]he Joint Parties move for an immediate stay of the following legally deficient orders and directives of D.23-06-029 pending resolution of its rehearing request of that decision: Ordering Paragraph 25, at page 144; Ordering Paragraph 29, at page 145; Ordering Paragraph 30, at page 145; Ordering Paragraph 32, at page 146; and Discussion, Section 5.4.2, at pages 95 through 97.”).

⁵ See *California Large Energy Consumers Association Response in Support of Joint Application for Rehearing of Decision 23-06-029*, R. 21-10-002, August 21, 2023.

CLECA agrees with the Joint Parties that the RA Decision “will certainly not contribute to any ‘growth’ in DR, but only continue the decline in participation.”⁶ All CLECA members have participated in BIP, and many of the CLECA members participated in its predecessor interruptible programs since the early 1980s. All CLECA members are acutely aware of the hardship associated with increased BIP reliance. As CLECA and several other stakeholders in this proceeding and the Commission’s DR Proceeding (A. 22-05-002, et al.) have conveyed, increased BIP reliance drives customer fatigue and attrition, causing a reduction in available BIP resources at a time when they are needed most.⁷ Although the Commission is considering program modifications to help address these concerns in the DR proceeding, those efforts may prove futile if the Commission fails to grant the requested stay.

Current BIP participants enrolled in the program with the understanding that disruptive program events would only be called during emergency conditions. Under the RA Decision, however, BIP may now be used to prevent emergencies, rather than strictly as an emergency response mechanism, thus exposing participants to more frequent interruptions..⁸ Granting the stay is appropriate, since it would help to shield participants from the increased financial risk associated with more frequent events, and instead maintain the status quo until there is a formal resolution of the AFR.

Furthermore, granting the stay would help to stave off further confusion associated with implementing the trigger change. On July 20, a BIP event was triggered when RDRR was exceptionally dispatched during EEA-1 conditions, and lasted between approximately 4 and 19

⁶ Motion at p. 14.

⁷ See, e.g., Motion at pp. 10-12.

⁸ Motion at p. 11.

minutes, depending on the particular utility program’s 15- or 30-minute notification requirements.⁹ Since CAISO’s operating procedures had not yet been updated to reflect the recent change in trigger conditions, the event caused considerable confusion among utilities and participating customers. This event resulted in significant operational costs to BIP participants, and led many to question whether participation would be worthwhile under the change.

Although the RA Decision’s dispatch trigger change constituted a substantial operational change to the program, it went into effect “immediately,” and did not allow participants to opt out or modify their FSL in response.¹⁰ BIP participants have a 30-day window each year in November during which they may disenroll from the program or revise their firm service level (FSL).¹¹ As such, BIP customers are forced participate in a fundamentally altered program for the next several months, or else face program penalties. Thus, a stay is further appropriate given the lack of recourse provided to current participants under the fundamentally altered program.

III. CONCLUSION

CLECA appreciates this opportunity to respond in support of the Joint Motion for Partial Stay of Decision 23-06-029. The Joint Parties show good cause for granting the partial stay to prevent serious and irreparable harm to DR program participants and providers, as well as the long-term availability of RDRR needed to support grid reliability.

⁹ See *Notice of Ex Parte Communication of the California Large Energy Consumers Association*, R. 21-10-002, Aug. 17, 2023 at pp. 2-3; see also, [Event History - Demand Response Event Status \(openadr.com\)](#).

¹⁰ Motion at p. 13.

¹¹ *Id.*

Respectfully submitted,

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By:



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