

Perspective of CLECA on the Reliability DR Cap

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CLECA Takes a Customer Perspective

- Customers in good standing who participate in reliability DR programs should be able to continue on their existing programs
- Allocation of headroom under the reliability cap should only apply to headroom under the existing cap and to customers that are not currently enrolled in reliability DR programs
- Performance is tested annually, and in two of the prior four years, reliability events were called in the Base Interruptible Program

There is a chance that headroom could grow

- Dual participation in day-of reliability DR and day-ahead economic DR may be facilitated by efforts like PG&E's day-ahead pilot
 - *If this occurs, the load does not count toward the reliability cap*
- Some customers currently participating in reliability DR programs may opt out or increase their firm service levels to account for use of back-up generation or may apply the Default Adjustment Value so their DR does not count this back-up generation, effectively adding headroom
- Some customers may be removed from reliability DR programs due to inadequate performance or may increase their firm service levels to be able to better meet load reduction obligations

Measurement methods for assessing headroom must be more consistent

- The IOUs use the load impact protocols to determine the RA value of their portfolios.
- Competing Suppliers will also be required to use the load impact protocols. (D. 17-10-017 OP 6.)
- Currently DRAM participants use contract quantity, which is not consistent. (D. 16-06-045 at 41 and COL 13.) Furthermore, it is not public.
- Use of contract quantity leads to an apples to oranges comparison and to addition of non-comparable quantities in calculating headroom.
- The results of the LIPs vary from year to year and cannot be fully anticipated in advance. However, they are consistent.

Ideas for allocating headroom under the cap

- Current first-come, first served, updated to check for continued customer interest.
 - This favors those on the list the longest.
- An alternative is a lottery like that used to allocate headroom under the direct access cap. Lotteries are conducted when headroom exists.
 - A lottery could reduce concern about the allocation favoring customers on waiting lists.
 - Access should be open to customers who want to directly participate and to aggregations of customers on an even-handed basis. Need to discuss how to address possible size differences between the two.

Allocation must be customer-focused

- D. 16-09-056 states “customer-oriented demand response shall ensure that customers of demand response programs have a right to choose from all available products-whether those products be utility programs or third-party programs, are fairly compensated, and are empowered through education.” (D. 16-09-056 at 49-50)
- COL 21 states: “The Commission should allow customers to determine the eventual role the Utilities will play in the future, through selections from the various demand response options that are provided.” (D. 160-09-056 COL 21.)
- Customers should not be forced into an aggregation to be able to participate in reliability DR.