

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

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)

**CLEAN COALITION REPLY COMMENTS ON  
PROPOSED DECISION AND ALTERNATE PROPOSED DECISION ADDRESSING  
LOAD MODIFYING DR VALUATION AND DR COST-EFFECTIVENESS  
PROTOCOLS**

Kenneth Sahm White  
Director, Policy & Economic Analysis  
Clean Coalition  
16 Palm Ct  
Menlo Park, CA 94025  
(831) 425 5866  
sahm@clean-coalition.org

November 10, 2015

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (“CPUC’s” or “Commission’s”) Rules of Practice and Procedure, the Clean Coalition submits these reply comments on Administrative Law Judge (“ALJ”) Hymes’ Proposed Decision (“PD”) and Commissioner Florio’s Alternate Proposed Decision (“APD”) Addressing the Valuation of Load Modifying Demand Response (“LMDR”) and Demand Response (“DR”) Cost-Effectiveness Protocols issued on October 16, 2015, in this proceeding.

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”)—such as local renewables, advanced inverters, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions. The Clean Coalition also collaborates with utilities and municipalities to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

## II. COMMENTS

### *a. Consideration of Capacity Value for Load Modifying Demand Response Resources*

The Clean Coalition notes that parties raise a number of important points in opening comments and respectfully urges the Commission to give particular attention to the matter of capacity value for Load Modifying Demand Response resources in light of the conflict between the unanimous recommendations of the Working Group and the conclusions of the PD and APD on this issue.

The Working Group, in which the Clean Coalition was an active, independent member, included a wide range of stakeholders,<sup>1</sup> worked diligently to meet the responsibilities with which it was tasked, and submitted a detailed Report to the Commission.<sup>2</sup> All the comments received were from members of the Working Group, and these parties are intimately familiar with the issues. While the Report and subsequent comments reflect differences of opinion expected from such diverse interests and perspectives, where consensus was reached it represents deliberation and conclusions that should be rejected only in light of factors that were not addressed, or in response to clearly identified external considerations.

The Report stated that there was consensus that “LMR DR *should receive value for system capacity* in the RA, LTPP and TPP processes if they are dispatched on pre-defined ‘hard triggers.’”<sup>3</sup> While the Working Group was not able to achieve consensus on how to establish “Hard Triggers,” *all* members of the Working Group supported one of two methods, including two refined variations, and the PD and APD does adopt either of those methods.

In opening comments, numerous parties noted that eliminating the capacity value of event-based LMR DR is not supported by evidence, and that no factual record has been

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<sup>1</sup> Alarm.com/EnergyHub, the California Independent System Operator, Calpine Corporation, the California Energy Commission, the Clean Coalition, the California Large Energy Consumers Association, Comverge, Inc., CPower, the Environmental Defense Fund, the Energy Division, EnerNOC, Inc., Green Charge Networks, Johnson Controls, Inc., Olivine, Inc., the Office of Ratepayer Advocates, Opower, Inc., Pacific Gas and Electric Company, Renewable and Appropriate Energy Laboratory, Southern California Edison Company, San Diego Gas and Electric Company, Sacramento Municipal Utility District, SolarCity Corporation, Stem, Inc., and The Utility Reform Network.

<sup>2</sup> Load Modifying Resource Demand Response Valuation Working Group Compliance Report (May 1, 2015).

<sup>3</sup> *Id.* at 5, 9.

established for this conclusion.<sup>4</sup> The Working Group further unanimously recommended that a study be performed to establish a value of Load Modifying Resource Demand Response for Local Capacity and that this study, which could be performed in a matter of months, could provide the necessary factual information to inform future recommendations on how LMR DR should address local reliability requirements.<sup>5</sup> The few months allowed for the Working Group to deliver its report were insufficient to complete all of the work identified. However, this timeline was sufficient to identify additional work required and to recommend an Action Plan, which would provide the data required to address the uncertainties identified by parties well within the timeframe envisioned by the Decision establishing bifurcation of Demand Response programs.

While the Clean Coalition supports the Commission's interest in and concerns regarding the issues delineated in the PD—despite the Commission not substantively addressing the alternative proposals contained in the Working Group's Report—we respectfully urge the Commission to pay particular attention to parties' opening comments on this topic.

### III. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments on the Proposed Decision and Alternate Proposed Decision Addressing the Valuation of Load Modifying Demand Response and Demand Response Cost-Effectiveness Protocols.

Respectfully submitted,

/s/ \_\_\_\_\_

Kenneth Sahn White  
Director, Policy & Economic Analysis  
Clean Coalition

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<sup>4</sup> Opening Comments of PG&E at 7–8 (Nov. 5, 2015); Opening Comments of CLECA at 1–7 (Nov. 5, 2015); Joint Opening Comments of Comverge, Inc., CPower, EnerNOC, Inc., EnergyHub, and Johnson Controls, Inc. at 2, 4, 6 (Nov. 5, 2015).

<sup>5</sup> Load Modifying Resource Demand Response Valuation Working Group Compliance Report 6 (May 1, 2015).