

**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 and Flexible Procurement Obligations
for the 2019 and 2020 Compliance Years.

R.17-09-020
(Filed September 28, 2017)

COMMENTS OF OHMCONNECT, INC. TO PARTIES' TRACK III PROPOSALS

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March 22, 2019

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COMMENTS OF OHMCONNECT, INC. TO PARTIES' TRACK III PROPOSALS

OhmConnect, Inc. ("OhmConnect") respectfully submits comments on parties' Track III proposals addressing further refinements to the Resource Adequacy (RA) program pursuant to Commissioner Randolph's *Amended Scoping Memo and Ruling of Assigned Commissioner*, issued January 29, 2019 in the above-captioned proceeding.¹

I. SUMMARY

OhmConnect's brief comments focus on proposals to define a methodology for estimating the qualifying capacity (QC) of third-party demand response (DR) resources.² We agree that accurately quantifying and/or verifying the *ex ante* capacity of third-party DR resources—specifically, those procured through the Demand Response Auction Mechanism (DRAM)—is an outstanding issue in need of resolution. However, to avoid duplication and misalignment, we suggest that the stakeholder process in Applications (A.)17-01-012 et al. (*Demand Response Programs, Pilots and Budgets for Program Years 2018-2022*) be deemed the appropriate venue to discuss this topic.

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¹ See R.17-09-020, *Amended Scoping Memo and Ruling of Assigned Commissioner*, Jan. 29, 2019.

² See Southern California Edison Company's (U 338-E) Track 3 Proposals; Track 3 Proposals of Pacific Gas and Electric Company (U 39 E); Joint Track 3 Proposals of CPower, Enel X North America, Inc., and EnergyHub ("Joint DR Parties").

II. REFINEMENTS TO THE QUALIFYING CAPACITY METHODOLOGY FOR THIRD-PARTY DEMAND RESPONSE

Following the publication of Energy Division’s Final DRAM Evaluation in January 2019, Parties to A.17-01-012 et al. have been working together to identify and prioritize areas where the DRAM can be improved and strengthened. One of these areas is the QC estimation methodology for third-party DR resources and several parties, including OhmConnect, have put forward proposals to address gaps in the current process. These proposals are broadly similar to those outlined by SCE and PG&E in this proceeding—namely, the adoption of an ex ante “plausibility demonstration” in the 60-day-ahead RA Supply Plans, coupled with ex-post penalties for under-delivery, and the potential implementation of the Load Impact Protocols. The details of these proposals, and the short- and long-term implications of their adoption on the operations of DRAM Buyers and Sellers are currently being debated in A.17-01-012 et al. In fact, Administrative Law Judge Hymes is seeking additional proposals and comments on this very topic via her *Administrative Law Judge’s Ruling Directing Responses to Questions Resulting from the February 11-12, 2019 Demand Response Auction Mechanism Workshop and Comments on Proposals to Improve the Mechanism*, issued February 28, 2019 in proceeding A.17-01-012 et al.

OhmConnect agrees that this particular issue needs resolution and does not take a position here on the specific QC estimation methodologies included in parties’ Track III proposals. Rather, we recommend that discussion of this particular issue be delegated to A.17-01-012 et al. in order to avoid duplication of work, miscommunication and misalignment.

To be clear, this recommendation *does not* refer to the consensus proposal for a year-ahead demonstration methodology for DR resources developed by the Supply Side Working Group and filed in Track II of this proceeding. OhmConnect agrees with the Joint DR Parties that this consensus proposal should be considered and adopted in Track III.

III. CONCLUSION

OhmConnect appreciates the opportunity to comment on parties’ Track III proposals and looks forward to collaborating with interested stakeholders in A.17-01-012 et al. to bring the issue of QC estimation for third-party DR resources to a satisfactory resolution.

March 22, 2019

Respectfully submitted,

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