

July 7, 2003

**Advice 2400-E  
(Pacific Gas and Electric Company ID U39 E)**

Public Utilities Commission of the State of California (CPUC)

**Subject:     Advanced Metering Project – Demand Response Programs -  
Critical Peak Pricing Tariff Implementation Plan for City and  
County of San Francisco, in Compliance with Decision 03-06-  
032 - EXPEDITED APPROVAL REQUESTED**

Pacific Gas and Electric Company (PG&E) hereby submit for filing the Critical Peak Pricing Electric Tariff implementation plan for the City and County of San Francisco (CCSF).<sup>1</sup>

**Purpose**

The purpose of this filing is to comply with Decision (D.) 03-06-032, Ordering Paragraph (O.P.) 2. PG&E is submitting the localized marketing and recruitment plan and triggering conditions criteria for the proposed electric Rate Schedule E-CPP - *Critical Peak Pricing* (E-CPP) specifically related to the City and County of San Francisco (CCSF).

PG&E and CCSF have jointly reviewed and agree to the attached marketing and implementation plan.

**Background**

In June 2002, the Commission issued Rulemaking (R.) 02-06-001. The purpose of the Rulemaking is to provide a forum to establish comprehensive policies to: (1) develop demand flexibility as a resource to enhance electric system reliability; (2) reduce power purchase and individual consumer costs; and (3) protect the environment. The intended result is that customers will have a diverse array of options and choices through which they can make their demand-responsive resources available to the electric system.

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<sup>1</sup> PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

The Rulemaking was divided into multiple phases. In addition, there are three working groups – Working Group (WG) 1, composed of agency decision-makers; WG 2, composed of active parties interested in developing demand response programs for large customers; and WG 3, composed of active parties who are interested in developing demand response programs for small commercial and residential customers.

On November 15, 2002, WG2 filed its first report that contained six demand response offerings to be implemented by Summer 2003. On December 13, 2002, WG2 filed its second report that supplemented the first report by addressing implementation details. On January 16, 2003, WG2 filed its third report that modified the previous report and contained a proposal sponsored by the respondent IOUs for a statewide critical peak pricing (CPP) tariff. On March 11, 2003, WG2 filed its fourth and final report addressing transitional incentives for the proposed interruptible tariffs. On June 6, 2003, the Commission issued D. 03-06-032, “Demand Response Goals and Adopting Tariffs and Programs for Large Customers.”

However, also within D. 03-06-032, the Commission granted CCSF’s motion to intervene in R. 02-06-001, and requested that PG&E and CCSF jointly work to develop an implementation plan for the proposed electric Rate Schedule E-CPP. (PG&E filed in Advice 2389-E, its proposed E-CPP rate schedule).

## **CCSF MARKETING AND IMPLEMENTATION PLAN HIGHLIGHTS**

### ***Objectives of the CCSF Plan***

The objective of the plan is to achieve a reduction in peak demand on critical peak days within the City and County of San Francisco, based on localized peaking conditions. The plan also provides environmental benefit messaging critical to the CCSF program overall.

The plan provides a strategy for marketing and implementing the CPP demand response program among large, non-residential customers within the bounds of the City and County of San Francisco. Key attributes include:

#### **Marketing and Recruitment:**

- Market – large non-residential customers within the city and County of San Francisco.
- Program Offerings – Critical Peak Pricing, Demand Bid Program, CPA’s Demand Response Program, and existing energy efficiency programs.
- Program Delivery – through local PG&E Account Managers to their

assigned accounts, and a combination of PG&E's Business Customer Center and CCSF resources for PG&E's "unassigned" accounts.

- Marketing Materials and Key Messages – Existing materials and key messages from the statewide effort will be used along with additional environmental messaging.
- Training – system wide training will be supplemented for local PG&E Account Managers to address the unique aspects of this localized plan, and shared with CCSF.
- Timing -- PG&E has initiated program development and implementation efforts, and anticipates a schedule that parallels the system wide effort.

Triggering Criteria: This program will be operated in conjunction with the system wide program, with the exception that Critical Peak Pricing (CPP) will be triggered based on local conditions. In its filing, PG&E included tariff language under the "Trigger and Notification" section, regarding the microclimate in San Francisco. PG&E will adjust the CPP program design to account for the microclimate.

- CPP triggered to coincide with CCSF's peaking periods
- Up to 12 events per year
- Results tracking will be used by PG&E, in consultation with CCSF, to refine triggering to help reduce peak load, within tariff parameters and utility systems capabilities

In addition, CCSF concurs and supports the plan being filed today.

### **Protests**

In compliance with General Order 96-A, anyone wishing to protest this filing may do so by sending a letter by **July 27, 2003**, which is **20 days** from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: RxDd@pge.com

However, in consideration of the need to begin implementation of the SPP as quickly as possible to meet the Summer 2003 requirements, PG&E respectfully requests expedited treatment of this advice filing.

### **Effective Date**

PG&E respectfully requests that the Commission rule expeditiously on this advice filing so that PG&E may move forward to implement the CCSF plan as soon as possible. PG&E requests that once approved, the effective date of this advice filing is **July 7, 2003**, which is the date of filing.

### **Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the service list parties for R. 02-06-001. Address changes should be directed to Sandra Ciach at (415) 973-7572. Advice letter filings can also be accessed electronically at:

[http://www.pge.com/customer\\_services/business/tariffs/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments

Attachment II – CCSF Marketing and Implementation Plan

cc: Service List R. 02-06-001