

June 15, 2012

**Advice 4061-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Resubmitted Cost Effectiveness Analyses of Pacific Gas and Electric Company's Capacity Bidding Program and Demand Bidding Program in Compliance with Decision 12-04-045**

**Purpose**

In compliance with Ordering Paragraph (OP) 44 and OP 50 of Decision (D.) 12-04-045 Pacific Gas and Electric Company (PG&E) resubmits cost effectiveness analyses for its Capacity Bidding Program (CBP) and Demand Bidding Program (DBP).

PG&E requests that the Commission authorize a budget of \$7,103,343 for its 2012-2014 Capacity Bidding Program and a budget of \$1,600,000 for its 2012-2014 Demand Bidding Program.<sup>1</sup>

**Background**

On March 1, 2011 PG&E filed its 2012-2014 Demand Response (DR) Application (A.) 11-03-001 requesting funding for DR programs. On April 30, 2012, the Commission issued D.12-04-045 authorizing funding for PG&E to conduct DR programs and pilots for the remainder of 2012 through December 31, 2014.

In D.12-04-045, the Commission authorized funding for PG&E's Capacity Bidding Program "contingent upon a revised cost-effective result." OP 44 of D.12-04-045 directs PG&E to submit a Tier 2 Advice Letter no later than 60 days from the issuance of the decision indicating which steps PG&E will take to make its CBP cost-effective.

In its DR Application, PG&E had proposed to close DBP and merge it with its PeakChoice program. In D.12-04-045, the Commission denied the continuation of PeakChoice and authorized funding for PG&E's Demand Bidding Program "contingent upon the receipt of the results of the resubmitted cost-effectiveness analysis." OP 50 of D.12-04-045 directs PG&E to "perform an updated cost effectiveness analysis and submit it along with a recalculated budget" in a Tier 2 Advice Letter no later than 60 days from the issuance of the decision.

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<sup>1</sup> These amounts are less than those authorized in D.12-04-045 as explained later in this advice letter.

On May 11, 2012 the Energy Division (ED) provided guidance on the format to use for such resubmitted cost effectiveness analyses. This guidance included all previous Commission cost effectiveness directives as well as directed the utilities to submit two cost effectiveness analyses for comparison purposes. One analysis will be based on the updated *ex ante* load impacts submitted to the Commission on June 1, 2012 (the 2012 Load Impacts) and the other analysis will be based on the *ex ante* load impacts previously submitted to the Commission on April 1, 2011 (the 2011 Load Impacts). In addition, the ED directs the utilities to provide a written explanation for any inputs that are different from those previously provided in their applications and related testimony.

Finally, the ED asks that utilities include a qualitative analysis of possible non-energy and non-monetary benefits as described in the 2010 DR Cost Effectiveness Protocols (Attachment 1 of D.10-12-024).<sup>2</sup>

### **Summary**

The revised Benefit-Cost (B/C) ratio of CBP under the Total Resource Cost (TRC) test is 0.8—for both the “Day Ahead” and “Day Of” options—based on the 2012 Load Impacts. The revised B/C ratio of DBP under the TRC test is also 0.8 based on the 2012 Load Impacts.

Although these cost effectiveness results indicate CBP and DBP are “possibly-cost effective” rather than “cost effective”<sup>3</sup>—given the assumptions in the Commission’s DR Reporting Template—PG&E requests the Commission to consider additional contributing factors in evaluating the cost effectiveness of CBP and DBP, including the non-energy and non-monetary qualitative benefits of these DR programs as described below.

Predominate among factors is how dual participation rules negatively impact DBP’s cost effectiveness. Specifically, under dual participation rules, when a customer enrolls in both a DR program with capacity payments, e.g., BIP, and a DR program with energy payments, e.g., DBP, the load impacts for the latter program are assigned 100% to the former program. In this case, the cost effectiveness of BIP is enhanced and the cost effectiveness of DBP is diminished.<sup>4</sup> This policy results in approximately 37 MW of DBP’s 49 megawatts (MW) of load impacts<sup>5</sup> not being included in DBP’s cost effectiveness results. Additionally, the DBP megawatts transferred to BIP must be multiplied by BIP’s lower A-factor rather than DBP’s higher A-factor, had those

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<sup>2</sup> Attachment 1 of D.10-12-024, Decision Adopting A Method For Estimating The Cost-Effectiveness Of Demand Response Activities (Dec. 21, 2010)

[http://docs.cpuc.ca.gov/WORD\\_PDF/FINAL\\_DECISION/128596.PDF](http://docs.cpuc.ca.gov/WORD_PDF/FINAL_DECISION/128596.PDF)

<sup>3</sup> D. 12-04-045, p. 44

<sup>4</sup> When customers participate in more than one DR program, load impacts for CE are determined on a portfolio basis, in addition to a program-specific basis, to ensure that load reductions from overlapping programs are not double counted.

<sup>5</sup> Based on the June 1, 2012 Load Impact report

megawatts been analyzed within DBP. DBP's higher A-factor, relative to BIP, is due to DBP having more flexible dispatch rules than BIP.

As a result of D.12-04-045, the treatment of load impacts for dual participating customers is the subject of a pending proceeding<sup>6</sup>. PG&E believes that it would not be prudent to close DBP when treatment of these benefits still is being addressed. The Commission itself stated,

"Because this decision is the first time we apply the Protocols to the DR programs, it is prudent for us to remain flexible in our evaluation of the programs to ensure the right outcome in terms of investment in cost-effective DR."<sup>7</sup>

We ask that the Commission take this factor into consideration in its evaluation of the cost effectiveness of CBP and DBP, in addition to the qualitative benefits of these DR programs.

### **Load Impacts**

The ED directs utilities to submit two cost effectiveness analyses for comparison purposes. One analysis will be based on the updated 2012 Load Impacts and the other analysis will be based on previously submitted 2011 Load Impacts. The 2012 Load Impacts and the 2011 Load Impacts for CBP and DBP are shown in Table 1.

**TABLE 1  
PACIFIC GAS AND ELECTRIC COMPANY  
CBP AND DBP, 2012-2014, MEGAWATT (MW) LOAD IMPACTS  
JUNE 1, 2012 REPORT AND APRIL 1, 2011 REPORT**

MW	June 1, 2012 Load Impact Report			April 1, 2011 Load Impact Report		
	DBP	CBP Day Ahead	CBP Day Of	DBP	CBP Day Ahead	CBP Day Of
Jan-12	10	-	-	5	-	-
Feb-12	10	-	-	5	-	-
Mar-12	11	-	-	5	-	-
Apr-12	6	-	-	6	-	-
May-12	11	12	17	7	23	25
Jun-12	12	12	17	7	25	29

<sup>6</sup> D.12-04-045, p. 212.

<sup>7</sup> p. 9 D. 12-04-045. P.30-31 "We recognize that certain programs contained within the applications may not be cost-effective. In fact several of the programs contained within the modifications do not pass one or more of the tests on their own. ...We recognize that this the first time that we have applied the Protocols to the DR Applications, and as a result, a certain level of flexibility is necessary to achieve the optimal result."

Jul-12	12	12	17	8	25	30
Aug-12	13	12	18	8	25	30
Sep-12	12	12	18	8	25	30
Oct-12	12	12	18	7	24	27
Nov-12	12	-	-	5	-	-
Dec-12	11	-	-	5	-	-
Jan-13	11	-	-	-	-	-
Feb-13	11	-	-	-	-	-
Mar-13	11	-	-	-	-	-
Apr-13	6	-	-	-	-	-
May-13	12	14	20	-	23	25
Jun-13	13	14	20	-	25	29
Jul-13	14	14	20	-	25	30
Aug-13	14	14	20	-	25	30
Sep-13	14	14	20	-	25	30
Oct-13	14	14	20	-	24	27
Nov-13	13	-	-	-	-	-
Dec-13	12	-	-	-	-	-
Jan-14	12	-	-	-	-	-
Feb-14	12	-	-	-	-	-
Mar-14	12	-	-	-	-	-
Apr-14	7	-	-	-	-	-
May-14	13	14	20	-	23	25
Jun-14	14	14	20	-	25	29
Jul-14	15	14	20	-	25	30
Aug-14	15	14	20	-	25	30
Sep-14	15	14	20	-	25	30
Oct-14	14	14	20	-	24	27
Nov-14	13	-	-	-	-	-
Dec-14	13	-	-	-	-	-

### **Cost Effectiveness Analysis**

ED's May 11, 2012 guidance on resubmitting cost effectiveness analyses required the following two tables. The first table, Table 2, presents those inputs in the current cost effectiveness analysis which have changed relative to the cost effectiveness analysis provided previously.

The largest change is a reduction in budget for both CBP and DBP. PG&E is now requesting authorization for a budget of \$7,103,343 for its 2012-2014 CBP and a budget of \$1,600,000 for its 2012-2014 DBP. The CBP budget reduction is due to the amount of capacity incentives shrinking by \$4,460,141 because of the lower 2012 Load Impacts. Regarding DBP, in the 2009-2011 period, PG&E spent approximately \$1,600,000 on program administration and incentives. Given DBP is approximately the same size for

2012-2014, PG&E expects the same level of funding as the previous three-year period will be adequate in the current three-year period.

**TABLE 2  
PACIFIC GAS AND ELECTRIC COMPANY  
CHANGES TO INPUTS VS. ANALYSIS PREVIOUSLY PROVIDED**

<b>Program</b>	<b>Change</b>	<b>Explanation</b>
All	all costs	Reductions to PG&E's DR budget as directed by the DR decision were included in the cost effectiveness analysis.
All	Incentives	Capacity incentives in the cost effectiveness analysis are a function of load impacts. Capacity incentives changed in the same proportion that the 2012 load impacts change.
All	allocated costs	Allocation of EM&V, ME&O, Operations and AutoDR costs are a function of program costs. Allocated costs in the cost effectiveness analysis changed in the same proportion that program costs changed.
CBP	Incentives	CBP capacity incentives are reduced by \$4,460,141 down to \$6,364,859 reflecting the 2012 Load Impacts.
CBP	Marketing	Marketing allocation decreased from \$3,001,500 to zero.
CBP	EM&V	EM&V allocation decreased from \$464,080 to \$185,076.
CBP	operations	Operations allocation decreased from \$3,899,734 to \$2,205,915. Operations costs shared between CBP and AMP were allocated as a proportion of program megawatts.
CBP	AutoDR	AutoDR allocation decreased from \$12,291,469 to \$2,629,956
CBP	A-factor	The A-factor was recalculated consistent with SCE's method. This reduced the CBP A-factor from 67% to 41%.
CBP	within program allocation	Allocated CBP costs between Day Ahead and Day Of using megawatts rather than number of customers.
DBP	admin costs	DBP budget is reduced to \$1,600,000 from the authorized budget of \$3,216,000. All costs to combine DBP and PeakChoice were removed.
DBP	Marketing	Marketing allocation decreased from \$5,232,357 to \$774,976.
DBP	EM&V	EM&V allocation decreased from \$862,088 to \$792,229.
DBP	Operations	Operations allocation decreased from \$5,183,377 to \$1,395,310.
DBP	AutoDR	AutoDR allocation decreased from \$4,653,613 to \$3,944,934.
DBP	A-factor	The A-factor was recalculated consistent with SCE's method. This reduced the DBP A-factor from 100% to 78%.

The second table, Table 3, on following page, presents the non-program-specific costs allocated to both CBP and DBP. These non-program-specific costs include EM&V, ME&O, AutoDR and Operations.

**TABLE 3  
PACIFIC GAS AND ELECTRIC COMPANY  
NON-PROGRAM-SPECIFIC COSTS ALLOCATED TO CBP AND DBP**

Budget	Amount	CBP	DBP	OTHER
Category 6: EM&V	\$ 15,720,981	1%	5%	94%
Category 7: ME&O	\$ 13,771,993	0%	6%	94%
Category 4: AutoDR	\$ 26,297,459	10%	15%	75%
Category 8: Operations	\$ 37,623,002	6%	4%	90%

Table 4-A shows updated Benefit-Cost (B/C) Ratios by Standard Practice Manual (SPM) test for both CBP and DBP using the 2012 Load Impacts based on a portfolio view for 1-in-2 year weather conditions. Table 4-B is based on holding all DR Reporting Template inputs the same except for substituting the 2011 Load Impacts. Table 5-A shows updated Net Present Value (NPV) benefits and costs by SPM test for each program under the Total Resource Cost (TRC) test based on the 2012 Load Impacts. Table 5-B is similar except for being based on the 2011 Load Impacts.

**Table 4-A  
Pacific Gas and Electric Company  
BENEFIT / COST RATIO BY STANDARD PRACTICE MANUAL TESTS  
CBP and DBP, 2012-2014  
2012 LOAD IMPACTS, 1-in-2 year weather conditions, PORTFOLIO VIEW**

DR Program	Total Resource Cost Test	Participant Test	Ratepayer Impact Measure Test	Program Administrator Cost Test
CBP Day Ahead	0.77	1.33	0.66	0.68
CBP Day of	0.80	1.33	0.68	0.72
DBP	0.78	1.33	0.76	0.78

**TABLE 4-B  
PACIFIC GAS AND ELECTRIC COMPANY  
BENEFIT / COST RATIO BY STANDARD PRACTICE MANUAL TESTS  
CBP AND DBP, 2012-2014  
2011 LOAD IMPACTS, 1-IN-2 YEAR WEATHER CONDITIONS, PORTFOLIO VIEW**

DR Program	Total Resource Cost Test	Participant Test	Ratepayer Impact Measure Test	Program Administrator Cost Test
CBP Day Ahead	1.00	1.33	0.82	0.85
CBP Day of	0.98	1.33	0.80	0.85
DBP	0.48	1.33	0.47	0.48

**TABLE 5-A**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**NET PRESENT VALUE BY TOTAL RESOURCE COST TEST**  
**CBP AND DBP, 2012-2014**  
**2012 LOAD IMPACTS, 1-IN-2 YEAR WEATHER CONDITIONS, PORTFOLIO VIEW**

DR Program	Benefits (\$million)	Costs (\$million)	Net Benefits (\$million)
CBP Day Ahead	\$3	\$3	\$(1)
CBP Day of	\$4	\$5	\$(1)
DBP	\$5	\$6	\$(1)

**TABLE 5-B**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**NET PRESENT VALUE BY TOTAL RESOURCE COST TEST**  
**CBP AND DBP, 2012-2014**  
**2011 LOAD IMPACTS, 1-IN-2 YEAR WEATHER CONDITIONS, PORTFOLIO VIEW**

DR Program	Benefits (\$million)	Costs (\$million)	Net Benefits (\$million)
CBP Day Ahead	\$6	\$6	\$0
CBP Day of	\$10	\$10	\$0
DBP	\$3	\$6	\$(3)

Per the Energy Division's May 11, 2012 guidance (in accordance with D.12-04-045 Ordering Paragraph 83), the Demand Response reporting templates for the above analyses can be accessed at the link below:

<http://apps.pge.com/regulation/search.aspx?CaseID=1015>

The case is "Demand Response 2012-2014"; the Document type is "All"; the Party is "All"; and date fields are "06/14/12".

Parties may request copies of the referenced Demand Response reporting templates by sending their request to:

Josephine Wu  
Rate Case Coordinator  
77 Beale St. Mail Code B9A  
San Francisco, CA 94105

Office Phone: (415) 973-3414  
E-mail: [JWWD@pge.com](mailto:JWWD@pge.com)

### **Qualitative Benefits**

PG&E appreciates the opportunity to provide additional information about the qualitative benefits of CBP and DBP, as desired by the Commission in its guidance for this advice letter. PG&E trusts that this information allows the Commission to take a flexible approach to analyzing the cost-effectiveness of these DR programs.<sup>8</sup>

There are several factors the Commission could consider when evaluating DR programs or DR portfolios.<sup>9</sup> Such factors, or program attributes, were used in D.09-08-027 to analyze the 2009-2011 DR applications. These factors and attributes include: flexibility and versatility, adaptability, integration, statewide consistency, simplicity, recognition and consistency with general Commission policies.<sup>10</sup> The 2010 DR Cost Effectiveness Protocols identify additional non-energy and non-monetary qualitative benefits<sup>11</sup> as possible factors in determining the cost effectiveness of DR. PG&E's CBP and DBP have attributes with similar non-energy and non-monetary qualitative benefits, albeit are non-quantifiable and thus not included in the DR Reporting Template cost effectiveness analysis.

However, these non-energy and non-monetary qualitative benefits as described in the following two sections should be considered by the Commission when evaluating the cost effectiveness of CBP and DBP.

### **Capacity Bidding Program: Non-energy and Non-monetary Qualitative Benefits**

- **Local dispatch** – The ability for local dispatch is planned for CBP in 2013. Local dispatch capability provides local RA credit, which supports local reliability, and

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<sup>8</sup> D. 12-04-045, p. 43... "Protocols state that "flexibility in the application of these protocols may be necessary to fully reflect the attributes of some DR programs. We conclude that our approach on how we use the protocols allows us to be flexible in our approach to analyzing cost effectiveness for DR programs. However, a large part of our approach is informed by the fact that certain qualitative information was not provided in the Applications."

<sup>9</sup> Joint Assigned Commissioner and Administrative Law Judge's Ruling and Scoping Memo, p. 8, May 13, 2011

<sup>10</sup> Decision Adopting Demand Response Activities and Budgets For 2009 Through 2011, D.09-08-027 (Aug. 20, 2009), p. 13.

<sup>11</sup> For example: Section 3.K: Non-Energy and Non-Monetary Benefits, p. 33. This category of benefits includes the benefits participants receive in lessening their impact on the environment, being good citizens by helping to prevent outages, improving their ability to manage their energy usage, having a better public image (for commercial enterprises), improving working conditions, etc. From a societal perspective, and from the perspective of LSEs, DR programs may result in non-energy benefits, such as health and safety and secondary economic benefits. Section 3.G: Environmental Benefits, pp. 29-30. Other environmental impacts that might be avoided include: "environmental justice concerns, biological impacts, impacts on cultural resources, diminishing visual resources, land use, effects on water quality/consumption, and noise pollution. Section 3.J: Market and Reliability Benefits, p. 32. This category of benefits includes increased reliability (over and above the increased reliability offered by equivalent supply-side measures, particularly when DR can provide ancillary services), increased market efficiency improvement in overall system load factors, improved market performance (e.g., decreasing price volatility), increased flexibility, portfolio benefits, and others.

- allows the program to potentially participate as Proxy Demand Resource (PDR) in the CAISO market.
- **CAISO market integration / adaptability** – Behind BIP and DBP, CBP is one of a few remaining programs that have the potential to be bid as PDR into the CAISO market.
  - **CBP plays an important role in developing third-party aggregator capabilities** – PG&E's CBP is an aggregator-only program in which participating aggregators enroll retail commercial, industrial, and agricultural customers.
    - CBP offers aggregators a place to participate in the California marketplace, and “provide additional innovation and services to the market, yielding additional uncaptured potential benefits to DR in California”<sup>12</sup>.
    - CBP provides opportunities for aggregators who do not have an AMP contract to participate in PG&E's DR portfolio.
    - The program maintains aggregator participation in California at a time when it is important to develop third-party direct participation.
  - **Customer participation** – CBP is a mandatory participation program where penalties apply for non-performance, ensuring the resource's reliability.
  - **Flexibility and versatility for aggregator and customer** – PG&E's CBP offers flexibility in monthly aggregator nominations allowing aggregators to register new DR customers and verify their load reliability prior to committing them to a longer term commitment (such as the AMP). This flexibility also offers customers the ability to adjust their reduction commitments monthly in response to variations in their load and reduction capability.
  - **Consistency of offering throughout the state** – CBP is a statewide program with the ability to encourage participation in DR by businesses located in more than one service area.

#### **Demand Bidding Program: Non-energy and Non-monetary Qualitative Benefits**

- **Local dispatch** – The ability for local dispatch is planned for DBP in 2013. Local dispatch capability provides local RA credit, which supports local reliability, and allows the program to potentially participate as Proxy Demand Resource (PDR) in the CAISO market.
- **CAISO market integration / adaptability** – Most DBP MW will be able to be bid into the CAISO market as day-ahead energy when BIP is implemented for Reliability Demand Response Resource (RDRR). This is because the RDRR design includes the ability to bid the MW in as day-ahead energy, just as if it were PDR. Thus DBP will provide an early way to have DR bid into the CAISO markets in the manner of PDR.
- **Flexibility and versatility** – PG&E's DBP offers customers the ability to adjust their reduction commitments by event and blocks of hours within events to accommodate variations in their daily load and reduction capabilities.

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<sup>12</sup> P. 16, D.12-04-045

- **Consistency of offering throughout the state** – DBP is a statewide program with the ability to encourage participation in DR by businesses located in more than one service area.

### **Conclusion**

Absent of qualitative benefits, the programs remain “possibly cost-effective”. PG&E believes that the qualitative benefits listed herein increase the CE results to “cost effective” and provide a reasonable justification for the Commission to authorize the continuation of these programs at the requested budget level.

PG&E’s DR programs portfolio which include CBP and DBP, supports the state-wide effort to utilize DR as a preferred resource as set forth in the key actions in the Energy Action Plan II.<sup>13</sup>

Furthermore, PG&E’s portfolio promotes the vision 8.1 of DSM Coordination and Integration provided by the Commission and the California Energy Commission in the California Energy Efficiency Strategic Plan, January Update.<sup>14</sup>

In closing, PG&E requests that the Commission authorize a budget of \$7,103,343 for its 2012-2014 Capacity Bidding Program and a budget of \$1,600,000 for its 2012-2014 Demand Bidding Program.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **July 5, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

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<sup>13</sup> PG&E’s portfolio with CBP and DBP supports key objectives of EAP II for DR as follows:

- PG&E’s proposed CBP and DBP encourage customers to participate in DR by offering a variety of programs, both through PG&E and through DR aggregators, to encourage customer participation and increase the amount of available DR. (Key Action 3).
- PG&E’s proposed CBP and DBP help to educate customers about the time sensitivity of energy use and the ways to take advantage of all DR program offerings. (Key Action 4). *(Need ref)*

<sup>14</sup> California Energy Efficiency Strategic Plan, January Update, which states: “Energy efficiency, energy conservation, DR, advance metering, and distributed generation technologies are offered as elements of an integrated solution that supports energy and carbon reduction goals immediately.”

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

### **Effective Date**

PG&E requests that this Tier 2 advice letter become effective on regular notice, **July 15, 2012**, which is 30 calendar days after the date of filing.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.11-03-001. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President, Regulation and Rates

Attachments

cc: Service List for A.11-03-001

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Igor Grinberg

Phone #: (415) 973-8580

E-mail: ixg8@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4061-E**

Tier: 2

Subject of AL: **Resubmitted Cost Effectiveness Analyses of Pacific Gas and Electric Company's Capacity Bidding Program and Demand Bidding Program in Compliance with Decision 12-04-045**

Keywords (choose from CPUC listing): Compliance and Demand Side Management

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-04-045

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required?  Yes  No

Requested effective date: **July 15, 2012**

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**  
**Tariff Files, Room 4005**  
**DMS Branch**  
**505 Van Ness Ave.,**  
**San Francisco, CA 94102**  
**E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company**  
**Attn: Brian Cherry**  
**Vice President, Regulation and Rates**  
**77 Beale Street, Mail Code B10C**  
**P.O. Box 770000**  
**San Francisco, CA 94177**  
**E-mail: PGETariffs@pge.com**

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Department of Water Resources	North Coast SolarResources
Alcantar & Kahl LLP	Dept of General Services	Northern California Power Association
Ameresco	Douglass & Liddell	Occidental Energy Marketing, Inc.
Anderson & Poole	Downey & Brand	OnGrid Solar
BART	Duke Energy	Praxair
Barkovich & Yap, Inc.	Economic Sciences Corporation	R. W. Beck & Associates
Bartle Wells Associates	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg	Foster Farms	Recurrent Energy
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SCD Energy Solutions
Boston Properties	GLJ Publications	SCE
Braun Blaising McLaughlin, P.C.	GenOn Energy, Inc.	SMUD
Brookfield Renewable Power	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CA Bldg Industry Association	Green Power Institute	San Francisco Public Utilities Commission
CLECA Law Office	Hanna & Morton	Seattle City Light
CSC Energy Services	Hitachi	Sempra Utilities
California Cotton Ginners & Growers Assn	In House Energy	Sierra Pacific Power Company
California Energy Commission	International Power Technology	Silicon Valley Power
California League of Food Processors	Intestate Gas Services, Inc.	Silo Energy LLC
California Public Utilities Commission	Lawrence Berkeley National Lab	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Casner, Steve	MAC Lighting Consulting	Sunrun Inc.
Center for Biological Diversity	MBMC, Inc.	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	Marin Energy Authority	Tiger Natural Gas, Inc.
City of San Jose	McKenzie & Associates	TransCanada
City of Santa Rosa	Merced Irrigation District	Turlock Irrigation District
Clean Energy Fuels	Modesto Irrigation District	United Cogen
Clean Power	Morgan Stanley	Utility Cost Management
Coast Economic Consulting	Morrison & Foerster	Utility Specialists
Commercial Energy	Morrison & Foerster LLP	Verizon
Consumer Federation of California	NLine Energy, Inc.	Wellhead Electric Company
Crossborder Energy	NRG West	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NaturEner	eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	
Defense Energy Support Center	North America Power Partners	