

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 2, 2014

Advice Letter 4093-E, 4093-E-A

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, CA 94177

Subject: PeakChoice Transition Plan in Compliance with D.12-04-045

Dear Mr. Cherry:

Advice Letter 4093-E and 4093-E-A are effective June 27, 2014.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

July 30, 2012

Advice 4093-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: PeakChoice Transition Plan in Compliance with Decision 12-04-045

Purpose

In compliance with Ordering Paragraph (OP) 40 of Decision (D.) 12-04-045 Pacific Gas and Electric Company (PG&E) provides herein a description of its PeakChoice™ Demand Response (DR) program transition plan.

PG&E requests the Commission approve this transition plan which includes a showing that the systems used for PeakChoice™ are already being used as part of the infrastructure for most of PG&E's other DR programs, and a revised plan to meet the 10 percent Proxy Demand Resource (PDR) requirements of D.09-08-027, OP 25.

Background

On April 30, 2012, the Commission issued D.12-04-045 on PG&E's 2012-2014 Demand Response Application (A.) 11-03-001 and authorized funding for PG&E's DR programs and pilots for 2012, 2013 and 2014.

In D.12-04-045, the Commission authorized PG&E's PeakChoice™ program to operate through 2012. OP 39 of D.12-04-045 directed PG&E to transition PeakChoice™ customers to other DR programs, terminate the PeakChoice™ program by December 31, 2012, and to adapt the IT systems developed for PeakChoice™ to be used by PG&E's other DR programs. D.12-04-045 only provided funding for PeakChoice™ for 2012.¹

OP 40 of D.12-04-045 directed PG&E to submit a Tier 2 Advice Letter, no later than 90 days after the issuance of the Decision, describing its PeakChoice™ transition plan. Specifically, the Commission requests that "the specifics and schedule of this transition plan include the details to adapt the IT system from PeakChoice™ to other DR programs and a revised plan to meet the 10 percent PDR requirements."²

¹ D 12-04-045, OP 41 authorized a budget of \$1.75 million for PG&E to operate the PeakChoice program.

² D 12-04-045, p.124

PG&E's PeakChoice™ Customer Transition Plan

The Commission requires PG&E to transition its PeakChoice™ customers to alternative DR programs by the end of 2012. PG&E will de-enroll all current PeakChoice™ customers from the program and encourage continuous participation in an alternative DR program. It should be noted that enrolling in another DR program is ultimately each customer's choice.

PG&E will communicate DR options that are relevant to the PeakChoice™ customers and provide the support to make program choices should the customer elect to continue participation in DR programs. Subject to a customer's eligibility, potential DR program options include: Peak-Day Pricing (PDP), Demand Bidding Program (DBP), Aggregator Managed Portfolio (AMP), Capacity Bidding Program (CBP), and the Base Interruptible Program (BIP).

PeakChoice™ customers can participate in another DR program, provided:

1. They meet the alternative DR programs' eligibility requirements (e.g., minimum qualifying load criteria and applicable rate schedules); and
2. They can meet the alternative DR program's event requirements (e.g., minimum load reduction criteria, event duration and program maximum hours).³

To be eligible for PDP, the customer will need to meet the requirements of the applicable PDP tariff.

Activities to Date, End of Seasons Communication and Outreach Plan

PG&E has closed PeakChoice™ to new enrollments and is informing customers of other DR options. PG&E has updated existing internal and external web pages to announce that the program is closed to new enrollees, and that the program will terminate on December 31, 2012.

As the 2012 PeakChoice™ program season closes on October 31, 2012, PG&E will provide outreach materials and collateral with messaging tailored to PeakChoice™ participants announcing the program closure and providing resources for evaluating alternative DR options.

PG&E plans to provide customers with direct support to help them choose alternative programs, including a PeakChoice™ Customer Workshop in the October/November timeframe. PG&E's Customer Relationship Managers will work directly with

³ For example, PeakChoice customers seeking voluntary program participation can consider DBP. However, the minimum load reduction nomination for each DBP event hour is 50 kW, compared to the PeakChoice program minimum load reduction of 10 kW. Approximately 60% of the current PeakChoice Best Efforts customers do not meet the DBP minimum load reduction requirement of 50 kW. These customers may consider PDP as a DR option or seek participation through an Aggregator Program.

PeakChoice™ participants to ease their transition by supporting their evaluation of DR alternatives and assisting in new program enrollment.

PG&E's Plan to Comply with Requirements for PDR

PG&E currently uses the PeakChoice™ program participants to bid into the CAISO markets through the PDR mechanism and PG&E planned to continue using PeakChoice™ to comply with D.09-08-027, OP 25.⁴ PG&E's plan was to move customers participating in DBP into PeakChoice™ and thus meet the 10 percent requirement.^{5,6} However, because D.12-04-045 requires PG&E to terminate the PeakChoice™ program and did not approve PG&E's proposed five-year AMP solicitation for a product that could accommodate PDR⁷, PG&E must develop an alternative plan.

PG&E's current plan to meet its PDR requirement is to use the DBP customers that are dual participating in the BIP to bid as day-ahead energy under Reliability Demand Response Resource (RDRR). The day-ahead energy feature of the RDRR was designed to be almost identical with PDR and "compl(ies) with the requirements of the CAISO's Proxy Demand Resource".⁸ Because the CAISO's proposed RDRR tariff prohibits a single DR customer from being in both PDR and RDRR on the same trade date, dual-participating BIP and DBP customers cannot be bid as PDR, but PG&E will use the day-ahead energy feature of RDRR instead to meet the Commission objective of incorporating DR into the market. A large majority of the DBP MWs come from customers who are dual participating in the BIP, so PG&E expects to be able to meet or be close to meeting the 10 percent PDR requirement with day-ahead RDRR. PG&E will start the work to transition DBP into the RDRR day-ahead energy market after BIP can first be bid as RDRR in the real-time energy market.

The schedule to integrate the BIP through the RDRR mechanism and then to integrate the DBP customers that are dual-participating with BIP through the RDRR mechanism has not been established because the Federal Energy Regulatory Commission (FERC) has not approved the CAISO's RDRR tariff. However, due to the CAISO's and EEI's

⁴ D.09-08-027, OP 25, requires PG&E to bid 10 percent of its DR into the CAISO market through programs that "comply with the requirements of the CAISO's Proxy Demand Resource."

⁵ A.11-03-001 Ex. PGE1, p.2-6 to 2-8, 7-8, 7-12 to 7-13

⁶ A.11-03-001 Ex. PGE1, p. 2-28, 7-10

⁷ PG&E also planned to conduct a solicitation for new AMP five-year contracts that would support bidding as PDR. This was not approved in Decision 12-04-045 (OP 15). However, OP 15 only provided a compressed period of time to do a new AMP solicitation for just two years. PG&E had requested approval for more time to do a five year solicitation for AMP contracts that could be used for PDR. Contracting for PDR is very complex and requires more time than available under the D.12-04-045 timeframe. Therefore, PG&E's current AMP solicitation has not attempted to obtain PDR eligible products.

⁸ Section 4.13.2 of the May 20, 2011 CAISO tariff revision implementing RDRR states, "[a] Location cannot be registered to both a Reliability Demand Response Resource and a Proxy Demand Resource for the same Trading Day." Though the FERC rejected the CAISO's tariff revisions in its February 16, 2012 order and has since been withdrawn, PG&E anticipates that this provision will be reintroduced once the DC Circuit Court rules on the CAISO and EEI appeals.

appeals at the DC Circuit Court, final RDRR tariff language would likely not be approved by the FERC until the later part of 2013. Given this anticipated timeline, PG&E expects to be capable of bidding BIP as RDRR no earlier than 2014, and DBP as RDRR no earlier than 2015. If the CAISO's schedule changes to implement RDRR changes, PG&E will reevaluate its implementation schedule as well.

If PG&E finds that the new plan will not meet the 10 percent PDR requirement, PG&E will evaluate alternative options to comply. The plan proposed in this advice letter is based on the information available today and may change as circumstances change.

PG&E's DR IT infrastructure is currently supporting the majority of PG&E's other demand response programs

The PG&E DR IT infrastructure supporting PeakChoice™ also supports many other DR programs: BIP, DBP, AMP, CBP, and PDP. The IT components include a customer facing web portal, business process manager, employee facing portal, and database components. These components, shown below, provide the following functionality by DR program.

Additional functionality required to integrate the non-PeakChoice programs into the PDR or RDRR CAISO mechanisms will still need to be developed at significant cost. This functionality includes the interfaces required to incorporate schedules and the unique structures of the BIP and DBP programs, as well as increased retail-wholesale meter data integration, given the additional volumes and timing of the data submission compared to retail billing and the differences between the day-ahead and real-time markets.

Component	Current Functionality	Current DR Programs⁹
Customer-Facing Web Portal	Allows customers to 1. Submit a request to enroll in DR programs via the web, 2. Modify their DR program information, 3. De-enroll from a DR program.	PeakChoice™ DBP BIP Non-Aggregated
Business Process Manager	Allows PG&E to 1. Enroll customers in DR programs, 2. Process customer requests to modify their DR program information, 3. Process customer requests to de-enroll from a DR program.	PeakChoice™ DBP BIP Aggregated BIP Non-Aggregated, AMP CBP OBMC

⁹ The majority of this functionality was also used for the BIP B, CPP and the BEC programs which were terminated prior to A. 11-03-001.

Component	Current Functionality	Current DR Programs⁹
Employee-Facing Web Portal	Manage customer data and manage program enrollment.	PeakChoice™ DBP, BIP Aggregated BIP Non-Aggregated AMP CBP OBMC
	Create and save a customer DR application.	PeakChoice™ DBP BIP Non-Aggregated OBMC
	Event creation, event dispatch, event management, event dispatch reporting.	PeakChoice™ Smart Rate PDP
	Post event performance reporting.	PeakChoice™
Database	Store customer data, DR program data, program enrollment data.	PeakChoice™ DBP BIP Aggregated BIP Non-Aggregated AMP CBP OBMC
	Store participant event details.	PeakChoice™ Smart Rate PDP
	Event performance data (baselines, incentive payments, penalty payments, etc.)	PeakChoice™

Summary

PG&E will transition customers from PeakChoice™ before the end of 2012. This plan encourages customers to continue their participation in DR programs, provides direct support needed by customers to make thoughtful program choices, and result in a smooth transition to alternative DR programs. PG&E plans to continue to use PeakChoice™ IT components to support its other DR programs. PG&E's current plan is to utilize the Demand Bidding Program to comply with the requirements of D.09-08-027 OP 25. PG&E requests that the Commission approve this transition plan.

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 **August 20, 2012**, which is 21 days¹⁰ after the date of this filing. Protests should be mailed to:

¹⁰ The regular 20-day protest period ends on a non-business day so the protest period end date has moved to the next business day.

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

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, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this Tier 2 advice filing become effective on regular notice, **August 29, 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 lists for R.07-01-041 and 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, Regulatory Relations

Attachments

cc: Service Lists R.07-01-041 and 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: Greg Backens

Phone #: 415-973-4390

E-mail: GAB4@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) #: **4093-E**

Tier: 2

Subject of AL: **PeakChoice™ Transition Plan in Compliance with Decision 12-04-045**

Keywords (choose from CPUC listing): Compliance, 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? No. If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL:

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

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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

Resolution Required? Yes No

Requested effective date:

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

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

EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

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 America Power Partners
Alcantar & Kahl LLP	Dept of General Services	North Coast SolarResources
Ameresco	Douglass & Liddell	Northern California Power Association
Anderson & Poole	Downey & Brand	Occidental Energy Marketing, Inc.
BART	Duke Energy	OnGrid Solar
Barkovich & Yap, Inc.	Economic Sciences Corporation	Praxair
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CENERGY POWER	Green Power Institute	Seattle City Light
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California Energy Commission	In House Energy	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
Calpine	Lawrence Berkeley National Lab	Spark Energy, L.P.
Cardinal Cogen	Los Angeles Dept of Water & Power	Sun Light & Power
Casner, Steve	Luce, Forward, Hamilton & Scripps LLP	Sunrun Inc.
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
Chris, King	MBMC, Inc.	Sutherland, Asbill & Brennan
City of Palo Alto	MRW & Associates	Tecogen, Inc.
City of Palo Alto Utilities	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
City of San Jose	Marin Energy Authority	TransCanada
City of Santa Rosa	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	United Cogen
Clean Power	Modesto Irrigation District	Utility Cost Management
Coast Economic Consulting	Morgan Stanley	Utility Specialists
Commercial Energy	Morrison & Foerster	Verizon
Consumer Federation of California	Morrison & Foerster LLP	Wellhead Electric Company
Crossborder Energy	NLine Energy, Inc.	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NRG West	eMeter Corporation
Day Carter Murphy	NaturEner	
Defense Energy Support Center	Norris & Wong Associates	