

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 24, 2015

**PG&E ALs 4618-E-A and 4618-E-B  
SDG&E AL 2729-E-A  
SCE AL 3208-E-A**

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Clay Faber  
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Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
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**Subject: Staff Disposition of: *SDG&E's AL 2729-E-A: Supplemental Filing - Demand Response Auction Mechanism Pilot Pursuant To Resolution E-4728;***

***PG&E AL 4618-E-A - Supplemental: Modifications to Demand Response Auction Mechanism Contracts and Related Documents in Compliance with Resolution E-4728 as Modified by Resolution E-4737;***

***PG&E AL 4618-E-B - Partial Supplement: Modifications to Demand Response Auction Mechanism Contracts and Related Documents in Compliance with Resolution E-4728 as Modified by Resolution E-4737 (Form of Notice of Demonstrated Capacity); and,***

***SCE AL 3208-E-A – Southern California Edison Company's Demand Response Auction Mechanism Pilot Supplemental Advice Letter Filing Pursuant to Resolution E-4728, Ordering Paragraph 22.***

Dear Mr. Faber, Mr. Jacobson and Mr. Worden:

The CPUC Energy Division (ED) approves PG&E AL 4618-E-A and SCE AL 3208-E-A, in part as specified herein. The CPUC ED approves PG&E AL 4618-E-B and SDG&E AL 2729-E-A in their entirety. All of the aforementioned ALs (collectively, "DRAM Resolution Compliance Supplements") shall have an effective date of September 24, 2015.

### **Background and Protest**

On August 24, 2015, PG&E, SCE, and SDG&E timely filed the DRAM Resolution Supplements as ordered in OP 22 of Resolution E-4728. On September 14, 2015, Office of Ratepayer Advocates (ORA) protested several aspects of SDG&E AL 2729-E-A and PG&E AL 4618-E-A. First, ORA recommends that PG&E adopt the same approach as SCE with regard to transitioning AutoDR customers to the DRAM. Second, ORA recommends that SDG&E file a proposal to transition AutoDR customers to DRAM and that its proposal also mirror that filed by SCE. Finally, ORA recommends that PG&E modify its Form of Notice of Demonstrated Capacity, Exhibit C to the DRAM pro forma contract, to include columns for Joint PDR Adjustment and Residential Products, consistent with the Form of Notice of Demonstrated Capacity filed by SCE and SDG&E.

### **Discussion**

Energy Division has reviewed the DRAM Supplemental ALs for the provisions responsive to Resolution E-4728 ordering specific changes, and finds those provisions in compliance.

In filing proposed modifications to AutoDR, we appreciate the initiative taken by both PG&E and SCE to identify and proactively address a potential barrier to DRAM participation. We note, however, that these proposed modifications to the AutoDR program were not directed by the Commission in Resolution E-4728. OP 22 of Resolution E-4728 directed compliance filings by supplement to conform the DRAM advice filings to specific orders and provisions in the resolution. PG&E and SCE's AutoDR proposals go beyond the scope of OP 22.

We do not agree that any modifications are necessary to the AutoDR program in order to facilitate participation in DRAM, nor do we agree that existing AutoDR customers are at risk for losing eligibility for AutoDR incentives as a result of participation in DRAM. Decision (D.) 14-12-024 approved the Joint Parties' request for the IOUs to file proposals for two years of DRAM pilot auctions, specified the initial budget for the DRAM pilots, and allowed for additional funding from IOU DR program budgets to be utilized for the DRAM program. Thus, for purposes of both years of the DRAM pilots, and eligibility for AutoDR incentives, we clarify that we consider the DRAM to be an IOU DR program and thus participation in DRAM counts toward the initial one-year incentive calculation period and overall three-year enrollment requirement for AutoDR incentives.

Given both the above clarification, and the program modifications approved in Resolution E-4728, there is no risk that a customer that moves from an existing IOU DR program to the DRAM will lose eligibility for DR programs or AutoDR incentives. Thus, the modifications to AutoDR proposed by PG&E and SCE are rejected without prejudice, and ORA's recommendation that SDG&E file modifications to AutoDR consistent with that proposed by SCE is moot. Further, because the sections of PG&E and SCE's Advice Letters that propose revisions to AutoDR program are rejected, ORA's protest is moot.

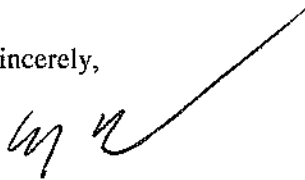
On September 17, 2015, PG&E filed AL 4618-E-B, which contains a modified Appendix C that is consistent with that of the other two IOUs. ORA's request for the same treatment is therefore moot. PG&E AL 4618-E-B is approved.

**Conclusion**

SDG&E AL 2729-E-A and PG&E AL 4618-E-B are approved in their entirety, effective September 24, 2015. Effective September 24, 2015, SCE AL 3208-E-A and PG&E AL 4618-E-A are approved in their entirety, except for proposals to modify AutoDR programs, which are out of scope of Resolution E-4728 and are not approved. We also clarify that the first DRAM auction may commence on September 28, 2015.

Please contact Rachel McMahon of Energy Division at [rachel.mcmahon@cpuc.ca.gov](mailto:rachel.mcmahon@cpuc.ca.gov) with any questions.

Sincerely,



Edward Randolph  
Director, Energy Division

cc:

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