

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 31, 2014

Advice Letter 2399-E

Brian Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**Subject: ADVANCED METERING PROJECT - DEMAND RESERVES PARTNERSHIP PROGRAM
IMPLEMENTATION PLAN**

Dear Mr. Brian Cherry:

Advice Letter 2399-E is withdrawn effective January 28, 2014, per Pacific Gas & Electric Withdrawal Letter filed on January 28, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

July 7, 2003

**Advice 2399-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
Demand Reserves Partnership (DRP) Program Implementation
Plan in Compliance with Decision 03-06-032 - EXPEDITED
APPROVAL REQUESTED**

Pacific Gas and Electric Company (PG&E) hereby submits for filing its Demand Reserves Partnership (DRP) Program Implementation Plan.¹

Purpose

The purpose of this filing is to comply with Decision (D.) 03-06-032, Ordering Paragraph (O.P.) 9. The attached DRP Implementation Plan has been prepared in coordination with the California Power Authority (CPA) and describes three phases in the implementation of the DRP.

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.

¹ 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. On June 6, 2003, the Commission issued D. 03-06-032, "Interim Opinion in Phase I Addressing Demand Response Goals and Adopting Tariffs and Programs for Large Customers."

In response to D.03-06-032, PG&E has worked with the CPA, the Department of Water Resources (DWR) and the other investor-owned utilities (IOUs) in the development of the DRP Implementation Plan. The CPA and DWR have informed PG&E that they support the attached DRP Implementation Plan.

Objectives of the DRP Program

The purpose and design of the DRP Program are described in D. 03-06-032 as follows:

The design of the CPA DRP is governed by a contract between CPA and the Department of Water Resources (DWR). . . . Under this program the CPA uses load reduction by end users to provide demand reserves in the wholesale market. These demand reserves can be used in two ways: 1) Ancillary Services –as ten minute response non-spinning reserves or sixty minute response replacement reserves in the ISO markets; and 2) Call Option – as energy supplied in the ISO day ahead, hour ahead or supplementary energy markets during high wholesale market price or critical demand times. CPA contracts with demand reserve providers to work with end users and be contractually responsible for delivering the load reduction when called. (Page 31.)

The Commission continued:

At present, each IOU will receive credit towards the demand response goals set in this proceeding for any CPA DRP resources that it schedules. . . . While D. 02-10-062 requires the inclusion of DRP resources in the IOUs' long-term procurement plans, it is evident that the IOUs need to coordinate their scheduling activities with the CPA more closely in order to ensure that the DRP resources are actually dispatched when it is cost effective to do so. The IOUs must coordinate their customer, meter, scheduling and settlement activities in a manner that maximizes the full potential of the CPA DRP. To that end, we will require the IOUs to submit a DRP Implementation Plan, in coordination with the CPA, detailing how they will use the DRP resource effectively. (Page 32.)

Key Elements of the DRP Implementation Plan

In accordance with D. 03-06-032, Ordering Paragraph 9, the attached DRP Implementation Plan calls for a phased implementation of the DRP in order to resolve certain issues of operation and scheduling that cannot all be resolved immediately. The attached DRP Implementation Plan calls for the following three phases:

- Phase I: Initial Implementation of the Day Ahead Call Option Program - Summer 2003
- Phase II: Evaluate and Improve the Day Ahead Call Option Program - Fall 2003
- Phase III: Resolve Issues and Implement PG&E Scheduling of DRP Ancillary Services Subprograms - March 2004

Concerning Phase I, PG&E is already assisting the state with customer outreach efforts and various metering and data exchange activities. But, prior to PG&E taking over for DWR its responsibilities to schedule resources and make cost-effectiveness decisions, an agreement between DWR and PG&E will need to be executed, establishing PG&E as DWR's limited agent for these purposes. The parties have targeted July 18, 2003, for the completion of this agency agreement. Should this date be materially delayed, PG&E will notify the Commission of a revised target date for completion of the agreement and any temporary procedures that may be adopted for the period of the delay.

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, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: 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

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 DRP Implementation Plan as directed by the Commission in D. 03-06-032. As such, and in compliance with D. 03-06-032, PG&E requests that once approved, the effective date of this advice filing is **July 7, 2003**, which is the date of this 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/

Vice President - Regulatory Relations

Attachments

cc: Service List R. 02-06-001