

July 17, 2003

**Advice 2403-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  
For Large Customers, Form 79-1005 – Technical Assistance  
Incentive Application  
EXPEDITED APPROVAL REQUESTED**

Pacific Gas and Electric Company (PG&E) hereby submits for filing the Technical Assistance Incentive Application (Form 79-1005), which supports the Advanced Metering Project – Demand Response Programs for Large Customers. The affected tariff sheets are listed on the enclosed Attachment I.<sup>1</sup>

**Purpose**

In compliance with Ordering Paragraph (O.P.) 28 of (D.) Decision 03-06-032, and after consultation with the Commission's Energy Division, PG&E is submitting for approval this form. The purpose of this form is to establish a means by which a customer may apply for the Technical Assistance Incentive as was provided in the Decision. In addition to the Technical Assistance Incentive Application, PG&E is also submitting a copy of the CPP, DBP and HPO Technical Assistance Incentive Process – Joint UDC proposal that summarizes the Incentive Program.

**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

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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.

resources available to the electric system.

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, 2002, the Commission issued D. 03-06-032, “Demand Response Goals and Adopting Tariffs and Programs for Large Customers.”

In compliance with D.03-06-032, and to provide large customers with choices from a new menu of demand response programs, PG&E filed Advice 2389-E, which included a placeholder for the Technical Assistance Incentive Application, Form 79-1005.

Working with the California Energy Commission and in consultation with the Energy Division, PG&E, along with Southern California Edison, and San Diego Gas and Electric developed a Program Summary and the Technical Assistance Incentive Application. In compliance with D.03-06-032 we are hereby filing both of these documents that will be used to support the transitional incentive program.

The particulars regarding the Technical Assistance Incentive Program are described in the CPP, DBP and HPO Technical Assistance Incentive Process that is included in this advice filing. The Technical Assistance Incentive Program will support electric Rate Schedule E-DBP (Demand Bidding Program) and Schedule E-CPP (Critical Peak Pricing Program). The intent of these rate schedules is to provide customers with a choice of demand response programs that they can elect to participate in to assist the state in reducing overall energy demand. The Technical Assistance Incentive Program and Application will allow customers to earn an incentive to help off-set the cost of a study by a California Energy Commission approved Engineering firm. The engineering study will identify potential demand response measures that can be installed at the customer’s facility to assist the customer in their participation in the E-CPP or E-DBP programs. Since customers will be electing these rate schedules for reducing demand, it is critical that an agreement form, such as the one PG&E is submitting, be approved expeditiously.

This application will enable customers to:

- Earn an incentive to help off-set the cost of a study of potential demand response measures by a California Energy Commission approved Engineering firm as was approved by D.03-06-032.
- Identify the various measures recommended in their demand response report.
- Identify the specific measures the customer is intending to implement to achieve their demand response commitment to the E-CPP or E-DBP programs.

In addition, it will enable PG&E to:

- Track the Technical Assistance Incentive Program participation levels.
- Evaluate the incentive program to see if it had a significant effect on participation levels of the programs.

### **Protests**

In compliance with D. 03-06-032, Ordering Paragraph 29, anyone wishing to protest this filing may do so by sending a letter by **July 28, 2003**, which is **11 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](mailto:RxDd@pge.com)

However, in consideration of the need to begin implementation of the E-CPP and E-DBP as quickly as possible to meet the current 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 E-CPP and E-DBP by July 2003, 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 17, 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 – Rate Design Workpapers

cc: Service List R. 02-06-001



**Pacific Gas and Electric Company**  
San Francisco, California

*Cancelling*

Original

Cal. P.U.C. Sheet No.

20508-E\*

Cal. P.U.C. Sheet No.

PACIFIC GAS AND ELECTRIC COMPANY

TECHNICAL ASSISTANCE  
INCENTIVE APPLICATION  
FORM NO. 79-1005 (7/03)  
(ATTACHED)

(N)  
|  
(N)

(Continued)

Advice Letter No. 2403-E  
Decision No. 03-06-032

Issued by  
**Karen A. Tomcala**  
Vice President  
Regulatory Relations

Date Filed July 17, 2003  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_



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79-848	11/95	Generation Operating Agreement .....	13864-E
79-861	9/96	Electric Data Interchange Trading Partner Agreement .....	14148-E
79-862	12/96	Interim Competition Transition Charge Agreement.....	14233-E
79-865	REV 1/99	Electric and Gas Monitoring Meter Pulse Agreement .....	16192-E
79-936	9/90	Deed of Conveyance.....	11566-E
79-937	8/90	Assignment Agreement.....	11567-E
79-954	12/97	Departing Load Competition Transition Charge Agreement.....	14974-E
79-955	12/97	Amendment to Pacific Gas and Electric Company's Departing Load Competition Transition Charge Agreement for Subsequently Obtained CTC Exemption .....	14975-E
79-957	10/98	Electric Distribution Service Line Lease Agreement .....	16074-E
79-959	1/99	Meter Retrofit Agreement.....	16193-E
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E-2	Experimental Residential Time-of-Use Service .....	19882,120233 to 20235,19886,19887, 20236,20237-E
E-3	Experimental Residential Critical Peak Pricing Service. 19890,20238 to 20240, 19894,19896, .....	20241,20242-E
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ES	Multifamily Service.....	19918,19919,19920,19921,19922-E
ESR	Residential RV Park and Residential Marina Service .....	19923,19924,19925,19926,19927-E
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