

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



May 11, 2012

Advice Letter 4001-E

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: Implementation of a Market Price Trigger for SmartAC

Dear Mr. Cherry:

Advice Letter 4001-E is effective March 2, 2012.

Sincerely,

A handwritten signature in dark ink that reads 'Edward F. Randolph'.

Edward F. Randolph, Director
Energy Division



February 1, 2012

Advice 4001-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Implementation of a Market Price Trigger for SmartAC™

Pursuant to Ordering Paragraph 8 of D.11-01-036, Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to add a “price trigger” to the list of criteria under which the SmartAC program would be called to reduce load.

Purpose

PG&E is adding a price responsive trigger at the bid cap to dispatch this program. The addition of a price response trigger to the SmartAC program will allow PG&E to bid the load into the California Independent System Operator’s (CAISO) market so that the CAISO can call the program prior to the declaration of a stage emergency.

D.11-01-036 adopted the *Settlement Agreement Between and Among Pacific Gas and Electric Company, the Division of Ratepayer Advocates and The Utility Reform Network*. Per paragraph III.I.2, PG&E is required to seek Commission approval by advice letter, of future revisions to the above rate schedules regarding implementation of a price trigger.

Tariff Revisions

- Adding, “ when the CAISO day-ahead energy price for the PG&E Default Load Aggregation Point is \$1,000/megawatt-hour or more,” to the PURPOSE section of the electric schedules
- Adding clarifying language to the DEVICE CALL OPTION and SPECIAL CONDITIONS sections

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 **February**

21, 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: anj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies 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 advice filing become effective on **March 2, 2012**, which is 30 calendar days after the date of this filing. This Advice Letter is submitted as a Tier 1 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 to parties on the service list for A.09-08-018. Address changes to the General Order 96-B service list and all electronic approvals should be sent to e-mail 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. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in black ink, appearing to read "Brian Cherry". The signature is written in a cursive, flowing style. Below the main signature, there is a smaller, less legible handwritten mark that could be interpreted as "JCH".

Vice President, Regulation and Rates

cc: Service List A.09-08-018

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: Kimberly Chang

Phone #: (415) 973-5472

E-mail: kwcc@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) #: **4001-E**

Tier: 1

Subject of AL: **Implementation of a Market Price Trigger for SmartAC™**

Keywords (choose from CPUC listing): Compliance

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-01-036

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 AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

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: _____

Resolution Required? ☐ Yes ☒ No

Requested effective date: **March 2, 2012**

No. of tariff sheets: 7

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: E-RSAC, E-CSAC

Service affected and changes proposed¹: 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

jnj@cpuc.ca.gov and mas@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

**ATTACHMENT 1
Advice 4001-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
31305-E	ELECTRIC SCHEDULE E-CSAC COMMERCIAL SMART A/C PROGRAM Sheet 1	29962-E
31306-E	ELECTRIC SCHEDULE E-CSAC COMMERCIAL SMART A/C PROGRAM Sheet 2	30094-E
31307-E	ELECTRIC SCHEDULE E-RSAC RESIDENTIAL SMART A/C PROGRAM Sheet 1	29963-E
31308-E	ELECTRIC SCHEDULE E-RSAC RESIDENTIAL SMART A/C PROGRAM Sheet 2	27298-E
31309-E	ELECTRIC TABLE OF CONTENTS Sheet 1	30763-E
31310-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 4	30764-E
31311-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 10	31137-E



ELECTRIC SCHEDULE E-CSAC COMMERCIAL SMART A/C PROGRAM

Sheet 1

APPLICABILITY: This schedule provides customers with an option to supplement the electric service provided under the customer's otherwise applicable rate schedule. Schedule E-CSAC – Commercial Smart A/C Program (Program) is a voluntary demand response program where PG&E installs a device at a customer's premise that can temporarily disengage the customer's air-conditioning (A/C) unit or raise the temperature at the thermostat when the device is remotely activated by PG&E. The Program is intended to be a service option for individually metered small commercial customers and master metered customers and their tenants with single stage central electric A/C units that generally operate during PG&E's summer peak periods.

PURPOSE: PG&E may activate the devices in order to reduce its system demand when 1) the California Independent System Operator (CAISO) requests PG&E to operate all or part of the customers on the Program when it has publicly issued a Warning notice and has determined that a Stage 1 emergency is imminent consistent with operating procedure E-508B, 2) during emergency or near-emergency situations, or 3) when the CAISO day-ahead energy price for the PG&E Default Load Aggregation Point is \$1,000/megawatt-hour or more or 4) for limited program testing. The operation of this program will act as a demand side resource to PG&E to help maintain service reliability for all electric customers, defer construction of additional generation facilities, and reduce environmental pollutants. This program will be limited to 100 hours per year.

(T)
 (T)
 (T)

TERRITORY: This schedule applies throughout PG&E's electric service area.

ELIGIBILITY: This schedule applies to small electric commercial customers who are being served on one of the following PG&E rate schedules or would be billed under one of the following rate schedules if service was taken directly from PG&E.

Non-Time-Of-Use (TOU) Rate Schedules: A-1 and A-10

TOU Rate Schedules: A-6 and E-19V

Customers may not participate in the Program if any of the following conditions apply: (1) A/C unit is not compatible with PG&E's device or is located in an area where there is inadequate signal strength to reliably and remotely operate it; (2) A/C equipment is in an unacceptable operating condition in PG&E's sole discretion; (3) A/C system is not a central electric unit, such as window air conditioners or evaporative coolers; (4) A/C unit is generally not used during PG&E's system peak time periods; (5) A/C unit installation does not meet electrical code; (6) Installation of the device would pose a safety risk for the installer of the equipment; (7) Any premise occupant has a medical condition that would prohibit their participation; (8) Customer's electrical demand exceeds 200 kW; or (9) Customer does not authorize PG&E to install a device.

(Continued)



**ELECTRIC SCHEDULE E-CSAC
COMMERCIAL SMART A/C PROGRAM**

Sheet 2

RATES: A customer's monthly electric bill will continue to be calculated in accordance with the otherwise applicable rate schedule.

**DEVICE
OPTIONS:** Customers may elect that PG&E install, free of charge, one of the following two devices at their premise, subject to availability and Program device subscription limits:

1. **A/C Cycling Switch:** The A/C Cycling switch will generally be installed outdoors, on or adjacent to the customer's A/C unit. When activated by PG&E, the switch will turn off or cycle the A/C unit up for approximately 33% of the time over each subsequent 30 minute interval. This is called a "cycle." Program events will be limited to no more than six hours each day. An A/C unit can be cycled no more than 100 hours each year.
2. **Programmable Controllable Thermostat (PCT):** A PCT is a thermostat that can be programmed and operated or activated remotely by a signal. When the program is called, PG&E will activate the device one of two ways: (1) the thermostat temperature will be incrementally increased up to four degrees or, (2) the device will cycle the A/C unit for approximately 33% of the time over each 30 minute interval, similar to the switch, until the event is complete. Program events will be limited to no more than six hours each day. A PCT can be activated no more than 100 hours each year.

PG&E understands that there may be times that a temperature increase, however modest, may inconvenience customers. PG&E will provide its customers with a toll free telephone number and/or a dedicated website to override, without penalty, PG&E's control of their device for a program event absent rotating block outages.

**DEVICE CALL
OPTION:** Customers on time-varying rates may request PG&E to activate their A/C Cycling switch or PCT when the customer is participating solely in an event associated with that rate. (T)
(T)

- SPECIAL
CONDITIONS:**
1. Devices may be activated by PG&E based on system peak loading conditions, peak prices, or transmission or distribution system loading conditions. PG&E may on a limited basis conduct operational tests on a segment of customer devices. (T)
 2. Program events will occur during PG&E's summer season, which runs from May 1 through October 31 each year.
 3. Customers must remain on the Program for 12 months.
 4. PG&E will furnish, install, operate, and maintain an A/C Cycling switch or PCT at no cost to the customer for as long as the customer remains on this Program. Ownership of the installed devices will vest with the property owner. As a condition of participating in this Program, customer and property owner must agree to not deface, remove or otherwise interfere with the device or its operation while the customer is enrolled in this Program.
 5. PG&E will install specialized metering on a small sample of participants' A/C units to facilitate program impact estimates. PG&E will retain ownership of the specialized meters.
 6. Customer participation is limited to equipment and installation availability.

(Continued)



ELECTRIC SCHEDULE E-RSAC RESIDENTIAL SMART A/C PROGRAM

Sheet 1

APPLICABILITY: This schedule provides customers with an option to supplement the service provided under the customer's otherwise applicable electric rate schedule. Schedule E-RSAC – Residential Smart A/C Program (Program) is a voluntary demand response program where PG&E installs a device at a customer's premise that can temporarily disengage the customer's air-conditioning (A/C) unit or raise the temperature at the thermostat when the device is remotely activated by PG&E. The Program is intended to be a service option for individually metered residential customers with single stage central electric A/C units that generally operate during PG&E's summer peak periods.

PURPOSE: PG&E will activate the devices in order to reduce its system demand when 1) the California Independent System Operator (CAISO) requests PG&E to operate all or part of the customers on the Program when it has publicly issued a Warning notice and has determined that a Stage 1 emergency is imminent consistent with operating procedures E-508B, 2) during emergency or near-emergency situations, 3) when the CAISO day-ahead energy price for the PG&E Default Load Aggregation Point is \$1,000/megawatt-hour or more or 4) during limited program testing. The operation of this program will act as a demand-side resource to PG&E to help maintain service reliability for all electric customers, defer construction of additional generation facilities, and reduce environmental pollutants. This program will be limited to 100 hours per year.

(T)
 (T)
 (T)

TERRITORY: This schedule applies throughout PG&E's electric service territory.

ELIGIBILITY: This schedule applies to residential electric customers who are otherwise being served on one of the following PG&E rate schedules:

Non-Time-Of-Use (TOU) Rate Schedules: E1, EL-1, E-8, EL-8, EM, EML, ES, ESL, ESR, ESRL, ET, and ETL

TOU Rate Schedules: E-6, E-7, E-A7, EL-7, EL-A7, and E-9

Customers may not participate in the Program if any of the following conditions apply: (1) A/C unit is not compatible with PG&E's device or is located in an area where there is inadequate signal strength to reliably and remotely operate it; (2) A/C equipment is in an unacceptable operating condition in PG&E's sole discretion; (3) A/C system is not a central electric unit, such as window air conditioners or evaporative coolers; (4) A/C unit is generally not used during PG&E's system peak time periods; (5) A/C unit installation does not meet electrical code; (6) Installation of the device would pose a safety risk for the installer of the equipment; (7) Any premise occupant has a medical condition that would prohibit their participation; or (8) Customer does not authorize PG&E to install a device.

(Continued)



**ELECTRIC SCHEDULE E-RSAC
RESIDENTIAL SMART A/C PROGRAM**

Sheet 2

RATES: A customer's monthly electric bill will continue to be calculated in accordance with the otherwise applicable rate schedule.

**DEVICE
OPTIONS:** Customers may elect that PG&E install, free of charge, one of the following two devices at their premise, subject to availability and the Program's device subscription limits:

1. **A/C Cycling Switch:** The A/C Cycling switch will generally be installed outdoors, on or adjacent to the customer's A/C unit. When activated by PG&E, the switch will turn off or cycle the A/C unit for approximately 50% of the time over each subsequent 30 minute interval. This is called a "cycle." Program events will be limited to no more than six hours each day. An A/C unit can be cycled no more than 100 hours each year.
2. **Programmable Controllable Thermostat (PCT):** A PCT is a thermostat that can be programmed and operated or activated remotely by a signal. When the program is called, PG&E will activate the device one of two ways: (1) the thermostat temperature will be incrementally increased up to four degrees or, (2) the device will cycle the A/C unit for approximately 50% of the time over each 30 minute interval, similar to the switch, until the event is complete. Program events will be limited to no more than six hours each day. A PCT can be activated no more than 100 hours each year.

PG&E understands that there may be times that a temperature increase, however modest, may inconvenience customers. PG&E will provide its customers with a toll free telephone number and/or a dedicated website to override, without penalty, PG&E's control of their device for a program event absent rotating block outages.

**DEVICE CALL
OPTION:** Customers on time varying rates may request PG&E to activate their A/C Cycling switch or PCT when the customer is participating solely in an event associated with that rate. (T)
(T)

- SPECIAL
CONDITIONS:**
1. Devices may be activated by PG&E based on system peak loading conditions, peak prices or transmission or distribution system loading conditions. PG&E may on a limited basis conduct operational tests on a segment of customer devices. (T)
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 3. Customers must remain on the Program for 12 months.
 4. PG&E will furnish, install, operate, and maintain an A/C Cycling switch or PCT at no cost to the customer for as long as the customer remains on this Program. Ownership of the installed devices will vest with the property owner. As a condition of participating in this Program, customer and property owner must agree to not deface, remove or otherwise interfere with the device or its operation while the customer is enrolled in this Program.
 5. PG&E will install specialized metering on a small sample of participants' A/C units to facilitate program impact estimates. PG&E will retain ownership of the specialized meters.
 6. Customer participation is limited to equipment and installation availability.

(Continued)



ELECTRIC TABLE OF CONTENTS

Sheet 1

TABLE OF CONTENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
	Title Page	31309-E	(T)
	Rate Schedules	31131,31132, 31310 ,31134 ,31135,31136,30751, 29897, 31311-E	(T)
	Preliminary Statements	31138,29900,30376,30844,31139,30846,30870-E	
	Rules	30402, 30473, 31153-E	
	Maps, Contracts and Deviations.....	29909-E	
	Sample Forms	30680*,30353,30372,31154,30354,30740,30513,30682,30833,30683,29920,29921-E	

(Continued)

Advice Letter No: 4001-E
Decision No. 11-01-036

Issued by
Brian K. Cherry
Vice President
Regulation and Rates

Date Filed February 1, 2012
Effective March 2, 2012
Resolution No. _____



ELECTRIC TABLE OF CONTENTS RATE SCHEDULES

Sheet 4

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
	Rate Schedules Commercial/Industrial	
A-1	Small General Service.....	30079, 30968, 30969, 30970,30080, 30081, 30971,30083-30086-E
A-6	Small General Time-of-Use Service.....	30087,27610,30972,30973,25981, 30974,30975, 29072-29074-E
A-10	Medium General Demand-Metered Service.....	29075, 30766, 30976,30977,30978,30979, 29081, 29082,29083, 30980, 29085,29086-89-E
A-15	Direct-Current General Service	30981,30982,30983-E
E-19	Medium General Demand-Metered Time-of-Use Service	29090-29092, 31042, 31043, 31044,31045,24886,26947-26950,31046,28825,28826, 30092,29096- 29097-E
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More.....29098,30531,31047,31048,31049,24895,26958,22787,31050,28830,30093,29102-29103-E
E-31	Distribution Bypass Deferral Rate	20620,24899,20622-E
E-37	Medium General Demand-Metered Time-of-Use Service to Oil and Gas Extraction Customers	29104,24901,31051,31052,27613, 24904,25986,28833,31053-E
E-CARE	CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities30548-E
E-CSAC	Commercial Smart A/C Program.....	31305,31306 ,27302-E (T)
E-PWF	Section 399.20 PPA	30263, 30264, 30759-E
E-SRG	Small Renewable Generator PPA	30265, 30266, 30760-E
ED	Experimental Economic Development Rate	29544-29546-E

(Continued)

Advice Letter No: 4001-E
 Decision No. 11-01-036

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed February 1, 2012
 Effective March 2, 2012
 Resolution No. _____



Pacific Gas and Electric Company
San Francisco, California
U 39

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. 31311-E
Cal. P.U.C. Sheet No. 31137-E

ELECTRIC TABLE OF CONTENTS
RATE SCHEDULES

Sheet 10

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
	Rate Schedules	
	Energy Charge Rates	
E-FFS	Franchise Fee Surcharge.....	31063, 31064-E
E-RSAC	Residential Smart A/C Program.....	31307, 31308 , 27299-E (T)

(Continued)

Advice Letter No: 4001-E
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Issued by
Brian K. Cherry
Vice President
Regulation and Rates

Date Filed February 1, 2012
Effective March 2, 2012
Resolution No. _____

**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.
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CSC Energy Services	Hitachi	Seattle City Light
California Cotton Ginners & Growers Assn	In House Energy	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Pacific Power Company
California League of Food Processors	Intestate Gas Services, Inc.	Silicon Valley Power
California Public Utilities Commission	Lawrence Berkeley National Lab	Silo Energy LLC
Calpine	Los Angeles Dept of Water & Power	Southern California Edison Company
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Spark Energy, L.P.
Casner, Steve	MAC Lighting Consulting	Sun Light & Power
Center for Biological Diversity	MBMC, Inc.	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tabors Caramanis & Associates
City of Palo Alto Utilities	McKenzie & Associates	Tecogen, Inc.
City of San Jose	Merced Irrigation District	Tiger Natural Gas, Inc.
City of Santa Rosa	Modesto Irrigation District	TransCanada
Clean Energy Fuels	Morgan Stanley	Turlock Irrigation District
Coast Economic Consulting	Morrison & Foerster	United Cogen
Commercial Energy	Morrison & Foerster LLP	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	NaturEner	Wellhead Electric Company
Day Carter Murphy	Navigant Consulting	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	Norris & Wong Associates	eMeter Corporation