

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 21, 2014

**Advice Letter: 4444-E**

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

**SUBJECT: Joint IOU compliance filing pursuant to D.12-04-045 addressing whether there is a need to change the current baseline**

Dear Mr. Cherry:

Advice Letter 4444-E is effective as of July 20, 2014.

Sincerely,

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

Edward Randolph  
Director, Energy Division



Clay Faber - Director  
Regulatory Affairs  
8330 Century Park Court  
San Diego, CA 92123-1548

Tel: 858.654.3563  
Fax: 858.654.1788  
cfaber@semprautilities.com

June 20, 2014

**Advice Letter 2614-E**

(San Diego Gas & Electric Company - U902-E)

**Advice Letter 3060-E**

(Southern California Edison Company – U338-E)

**Advice Letter 4444-E**

(Pacific Gas and Electric Company - U39-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: JOINT IOU COMPLIANCE FILING PURSUANT TO DECISION 12-04-045 ADDRESSING WHETHER THERE IS A NEED TO CHANGE THE CURRENT BASELINE**

In compliance with California Public Utilities Commission (Commission) Decision (D.) 12-04-045, San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE) and Pacific Gas and Electric Company (PG&E), collectively the investor-owned utilities (IOUs), hereby submit this joint advice letter which provides the IOUs' recommendation on whether there is the need to change the current baselines in statewide Demand Response (DR) programs.

**PURPOSE**

In compliance with Ordering Paragraph (OP) 13 of D.12-04-045, this joint advice letter proposes to continue 1) the current plus/minus twenty ( $\pm 20$ ) percent cap on the Day-Of Adjustment (DOA) for PG&E's and SCE's Demand Bidding Programs (DBP), and 2) the current plus/minus forty ( $\pm 40$ ) percent cap on the (DOA) for PG&E's, SCE's, and SDG&E's Capacity Bidding Programs (CBP), and 3) the current plus/minus forty ( $\pm 40$ ) percent cap on SDG&E's Day-Of and Day-Ahead DBP Programs.

**BACKGROUND**

On March 1, 2011, the IOUs filed their 2012-2014 DR Applications (A.)11-03-001, et al. On April 30, 2012, the Commission issued D.12-04-045 authorizing funding for the IOUs to conduct DR programs and pilots through December 31, 2014.

OP 13 of D.12-04-045 requires that 45 days following each annual load impact workshop, the IOUs shall submit a joint Tier 2 Advice Letter addressing whether there is a need to change the

current baseline. In compliance with this directive, the IOUs recommend maintaining the current baselines for CBP and DBP for the following reasons:

First, the baseline DOA cap for CBP (day-of and day-ahead) was recently changed by OP 10 of D.12-04-045 to 40 percent, and there is no compelling empirical evidence that suggests a need to revise it again now. One of the latest baseline studies concludes that caps above 20 or 30 percent were not binding for many of the programs in 2013.<sup>1</sup> Therefore, the IOUs believe that a 40 percent cap is sufficient for DOA for CBP.

Also, after review of the recent DBP baseline study and in consideration of discussions with stakeholders, the consensus of the IOUs is that the DOA's 20 percent cap for DBP should remain in place. The 2013 baseline analysis study on DBP conducted by Christensen Associates Energy Consulting found that for PG&E, a 20% DOA cap produced the most accurate baseline for DBP customers in 2013. The study also noted that SCE baseline performance is not substantially affected by the level of the DOA cap (although the presence of a DOA, regardless of the cap level, produces improved performance relative to the unadjusted baselines).<sup>2</sup> As such, it is prudent and reasonable to maintain the current DOA cap for DBP. Marginal changes to the baseline are not expected to improve customer participation or increase program enrollments.

SDG&E's DBP program consists of two customers with several accounts. One customer is on the Day-Ahead and the other on the Day-Of option. SDG&E's baseline consists of a like day baseline (1 of 1) with a DOA cap at 40%. The DBP study notes that the Day-Of baseline could possibly benefit by changing to the 10 of 10 baseline but that the DOA doesn't seem to improve accuracy. The study also notes that it is difficult to generalize results to so few customers. SDG&E recommends not making any changes at this point, until more information is gathered and/or more customers are in the Day-Of program. The one customer in SDG&E's Day-Ahead program showed that the 1 of 1 baseline with a 40% DOA for the September 6 event was the best baseline for that event. However, additional analysis using warm non-event days showed that there might be improvements if the 10 of 10 baseline was used in combination with various DOA caps. SDG&E recommends to not change its DBP baselines at this time, as there is not enough information and the program has only two customers.

The IOUs' proposed baseline comparison study for each program year is determined by OP 11 of D.12-04-045, which defines an analysis that shall provide a baseline comparison as part of the Load Impact Annual Filing on April 1, 2013 and 2014. The OP requires that the IOUs shall conduct this comparison of baseline settlement results using both individual and aggregated baseline with cap percentage adjustments of 20, 30, 40, 50 and no cap for the months of July, August, and September of the prior year. The IOUs will compare the annual baseline settlement results with the Measurement and Evaluation results for the same year. The comparison shall include service accounts that select the adjusted energy baseline as well as all service accounts, assuming all service accounts select DOA.

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<sup>1</sup> 2013 Statewide Load Impact Evaluation of California Aggregator Demand Response Programs Volume 2: Baseline Analysis, Christensen Associates Energy Consulting, CALMAC Study ID PGE0318.02. See page 4 and 14-15.

<sup>2</sup> 2013 Load Impact Evaluation of California Statewide Demand Bidding Programs (DBP) for Non-Residential Customers: Ex Post and Ex Ante Report, pages 48 and 49.

**PROPOSAL**

The IOUs propose to maintain the current 40 percent DOA cap for the statewide CBP. In addition, the IOUs propose to maintain the current 20 percent DOA cap for SCE's and PG&E's DBP, and maintain the current 40 percent DOA cap for SDG&E's DBP.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

**EFFECTIVE DATE**

Pursuant to D.12-04-045,<sup>3</sup> the IOUs designate this filing as a Tier 2 Advice letter subject to Energy Division disposition (effective after disposition) pursuant to GO 96-B. The IOUs respectfully request that this filing be approved and become effective on July 20, 2014, which is 30 calendar days after the date of filing.

**PROTEST**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than July 10, 2014, which is 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the addresses shown below on the same date it is mailed or delivered to the Commission:

**For SDG&E:**

Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C San Diego, CA 92123-1548  
Facsimile No. (858) 654-1879  
E-mail: [MCaulson@semprautilities.com](mailto:MCaulson@semprautilities.com)

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<sup>3</sup> D.12-04-045 at page 198 states, “[w]e authorize the Utilities to request non-controversial changes to program tariffs and implementation procedures via a Tier 2 Advice Letter.”

**For SCE:**

Megan Scott-Kakures  
Vice President, Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Leslie E. Starck  
Senior Vice President, Regulatory Policy & Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

**For PG&E:**

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](mailto:PGETariffs@pge.com)

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service list A.11-03-001, et al, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by email to [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

# 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. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2614-E, et. al.

Subject of AL: Joint IOU Compliance Filing Pursuant to Decision 12-04-045 Addressing Whether There is a Need to Change the Current Baseline

Keywords (choose from CPUC listing): Compliance, Demand Response

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? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 7/20/14

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<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests 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  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park Ct, Room 32C  
San Diego, CA 92123  
mcaulson@semprautilities.com

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Cameron

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell

C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Poway

R. Willcox

City of San Diego

J. Cervantes

G. Lonergan

M. Valerio

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill

J. Pau

Dept. of General Services

H. Nanjo

M. Clark

Douglass & Liddell

D. Douglass

D. Liddell

G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg

J. Heather Patrick

J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark

M. Huffman

S. Lawrie

E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman

J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Hawiger

UCAN

D. Kelly

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

A.11-03-001, et. al.

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
CENERGY POWER	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	