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,

Edward Randolph
Director, Energy Division
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 (±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 (±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 (±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. 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). 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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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, 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. 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: M Caulson@semprautilities.com

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

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

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

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.

CLAY FABER
Director – Regulatory Affairs
Company name/CPUC Utility No. SAN DIEGO GAS & ELECTRIC (U 902)

Utility type:  
- ELC  
- PLC

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

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

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 AL1: N/A

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

Resolution Required? Yes No

Requested effective date: 7/20/14

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 proposed1: 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  San Diego Gas & Electric
Attention: Tariff Unit  Attention: Megan Caulson
505 Van Ness Ave.,  8330 Century Park Ct, Room 32C
San Francisco, CA 94102  San Diego, CA 92123
EDTariffUnit@cpuc.ca.gov  mcaulson@semprautilities.com

1 Discuss in AL if more space is needed.
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. Zaintz
Barkovich & Yap, Inc.
B. Barkovich
Bartle Wells Associates
R. Schmidt
Braun & Blaising, P.C.
S. Blaising
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C. Sweet
California Farm Bureau Federation
K. Mills
California Wind Energy
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A. Scott
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L. Belew
J.B.S. Energy
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Luce, Forward, Hamilton & Scripps LLP
J. Leslie
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C. Mayer
Morrison & Foerster LLP
P. Hanschen
MRW & Associates
D. Richardson
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J. Clark
M. Huffman
S. Lawrie
E. Lucha
Pacific Utility Audit, Inc.
E. Kelly
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.
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