

DRAM SET-ASIDE

In Decision 14-12-024, the Commission expressed a concern that participation in the existing DR programs might have a “crowding out” effect for the DRAM Pilot and ordered that “set-asides” be created which would 1) ensure that all current demand response megawatts continue to be available in the future, but 2) also ensure that the DRAM Pilot has a fair opportunity to succeed. The utilities and the DRAM working group were tasked with developing these set-aside requirements. In collaboration with the other utilities and the DRAM working group, PG&E has developed three measures to help “set aside” customers for DRAM participation. These set-asides include:

1. Remove Existing Un-Enrollment Limitations from certain Tariffed DR Programs
2. Allow Amendments to AMP Contract Capacity (PG&E’s AMP program ended in 2016, so this is not applicable for the 2019 DRAM)
3. Create a Minimum Participation Target for Residential Customers

Each of these proposed set-asides is described in more detail below.

Remove Existing Un-Enrollment Limitations from Tariffed DR Programs

It is possible that potential DRAM Pilot participants are already enrolled in PG&E tariff-based DR programs. However, dual enrollment in both a PG&E DR program and as a CAISO DR resource (i.e. PDR) is not allowed. As such, PG&E is offering to waive certain tariff and contract provisions for selected programs to allow customers to de-enroll from the PG&E DR program it is currently on for the purpose of participating in the DRAM Pilot. This will make a significant population of active DR customers available to DRAM aggregators.

In AL 4618-E-A, PG&E filed proposed changes to some of its DR programs to accommodate these de-enrollment requests. In particular, residential Smart AC (E-RSAC) customers may now leave the program to participate in the DRAM Pilot even if their service commitment has not been met. The mechanisms which allow any customer to leave any existing DR program are shown in Table 1 at the end of this document. Customers will not be de-enrolled from their existing DR program unless they take the required actions under the tariff or contract. De-enrolled customers may elect to return to a PG&E DR program at a later date if they wish, under the terms then applicable (e.g. BIP MWs are available; back-up generator (BUG) requirements are met, etc.).

Create a Minimum Participation Target for Residential Customers

The Commission, in its Resolution E-4278, determined that a “Residential” set-aside was needed to ensure consistency with D.14-12-024 and to meet their goals of increasing types of offerings currently available in the market. Residential and small commercial customers are somewhat limited in the DR programs that are available to them at this point. As such, the Commission has created a minimum Residential Customer Product for the DRAM Pilot, of 20% of the total MW procured.

The Residential Customer PDR Product is composed solely of Residential Customers and Small Commercial Customers. The Residential Customer PDR Product must consist of 90 percent (90%) of more Residential Customers. Residential Customers are defined in PG&E Electric Rule 1 as a *“Class of customers whose dwellings are single-family units, multi-family units, mobile homes or other similar living establishments (see “Residential Dwelling Unit” and “Residential Hotel”). A customer who meets the definition of a Residential Customer will be served under a residential rate schedule if 50% or more of the annual energy use on the meter is for residential end-uses.”*

Small Commercial Customers may make up the remaining 10 percent (10%) or less of the Residential Customer PDR Product. A “Small Commercial Customer” is a customer which: (1) has a maximum billing demand of 20 kW, or less, per meter during the most recent 12 month period, or (2) has an annual usage of 40,000 kWh, or less, during the most recent 12 month period.

Where multiple PDRs, or portions thereof, are used to meet Seller’s Demonstrated Capacity obligations, the percentage requirements apply in the aggregate, based on the total number of PDR customer service accounts in the DRAM Resource used to show Demonstrated Capacity. Also, a penalty of 10 percent (10%) of the capacity payment may be levied if the percentage of actual Residential Customers in a residential aggregation falls below the 90 percent threshold.

TRANSITION OF PG&E DR CUSTOMERS TO DRAM – SET ASIDE PROPOSAL

PROGRAM	CURRENT CUSTOMER REMOVAL PROCESS	DRAM 2019 PROCESS
BIP	Once annually, in November	Existing Process
CBP	Delete form submission by 15 th of month for de-enrollment effect on 1 st of following month.	Existing Process If the customer is participating in another aggregator’s portfolio (BIP, AMP, CBP), PG&E will not approve delete form until the customer has been removed from the other aggregator’s portfolio.
PDP	Customer auto de-enrolled pursuant to Rule 24 process; customers who leave prior to completing the first 12 months will lose bill protection.	Existing Process
SmartAC	Customers to follow existing process of calling or emailing the dedicated SmartAC line/inbox for removal	New Process Customers will be allowed to leave the SmartAC program prior to completing their 12 month participation requirement.
SmartRate	Customers can call in and de-enroll.	Existing Process
Auto-DR (ADR)	3-year commitment to be in DR program	Auto-DR customers moving to DRAM retain their obligations under their commitments and performance requirements under their ADR commitment, except notification of CAISO awards involving the Auto-DR customer will be provided by the customer’s aggregator or DRP, and the operation of the customer’s Auto-DR equipment will be the responsibility of the customer, its aggregator and/or its DRP. PG&E will not provide notifications or operate the customer’s Auto-DR equipment while the customer is in DRAM. Timely notification is required when the customer goes into DRAM and leaves DRAM.

TRANSITION OF PG&E DR CUSTOMERS TO DRAM – SET ASIDE PROPOSAL

Permanent Load Shift (PLS)	5 year contract requirement	A PLS customer participating in DRAM can continue on the PLS program, provided its' PLS system continues to operate as required in the PLS program and other obligation are met. Does not involve dual participation.
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Self-Generation Incentive Program (SGIP) has a multi-year commitment period (5 years). An SGIP customer participating in DRAM can continue on the SGIP program provided the customer continues to satisfy the requirements of the SGIP program, including continuing to provide the data and information required. Further consideration is required about whether information on performance in the CAISO market may be needed.

If the customer is participating in another aggregator’s portfolio (BIP, CBP), PG&E will not approve delete form until the customer has been removed from the other aggregator’s portfolio.