

2012-2014 DR Application Alternate PD

Meeting with CPUC Committeelonor Offices

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Summary

- **Proposed Changes For Alternate PD**

The cost-effectiveness analysis should use PG&E's LOLP model and the analysis should be performed on a portfolio basis.

Programs and budgets should then be restored, as appropriate

AMP contracts should be extended by 1 year and PG&E should be allowed to do additional extensions and a new RFP

Dual participation should maintain the existing rules, with the addition of a prohibition on dual participation across DR providers

Important Items To Maintain In The Alternate PD

No additional requirements to bid as PDR and a new proceeding to address market integration issues

No cap on the per customer marketing costs for SmartAC



Cost Effectiveness

The alternate PD cost effectiveness analysis should utilize PG&E's loss of load probability (LOLP) model

Cost effectiveness should be judged on a portfolio basis.

The alternate should remove the sliding scale for cost-effectiveness as inconsistent with Commission precedent and the standard practice manual.

The TRC should be the primary test considered, including for PLS.

Programs and budgets should be restored that are now cost effective (See attached sheet)



Status of AMP Contracts

Current contracts ended as of December 31, 2011

One-year contract extensions were filed with DR application and become effective on a final CPUC decision.

The Alternate PD should:

Allow additional AMP amendments for 2013

Approve a new RFP that would bid two ways to obtain the best value for ratepayers: (1) with the aggregator bidding the load reduction; and (2) with PG&E bidding the load reduction.



Dual Participation

The alternate PD should approve the existing dual participation rules, with the following two changes:

1. A customer may not simultaneously enroll in DR programs offered by multiple DR providers to be consistent with the CAISO's proposed rules;
2. Dual participation should be limited to one emergency-triggered program and one price-responsive program.

(See Ex. PGE 8, pp. 2-5 to 2-8 (PG&E/Ur))

The alternate PD should allow SmartAC dual participating with dynamic rates and also allow DBP to dual participate with BIP



Marketing Budget Approach

PG&E's Portfolio approach was initially prompted by guidance from the Commission

In D.09-08-027, the CPUC requested that, “utilities move towards more coordinated marketing, education and outreach, and reduce or eliminate such program-specific budget requests for the 2012-2014 period.” (D.09-08-027, p. 96.)

PG&E's customer research findings reinforced a consultative and portfolio-based approach

Large C&I and agricultural customers who receive live person support are more likely to sign up and perform better on event days.

PG&E agrees with a portfolio approach to DR Marketing Education and Outreach because it is more customer-focused and provides PG&E with greater flexibility to optimize marketing activities based on customer response, program performance, and other factors



Other Items

PG&E should be able to operate PeakChoice in 2012 and then close the program. The Commission should not require 50% unenrollment of customers (p.129)

PG&E should be able to enroll new SMB customers in SmartAC (combined program is cost-effective). (p.126)

For cost recovery, PG&E should record costs in DRAM not DREBA (page 216, line 12).

PG&E should not be required to collect air quality compliance data from its customers to check to see if they are meeting permitting requirements. This is for CARB and local air quality management districts. (p. 114).

Thank You

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Funding Categories	Total Requested for 2012-2014	Authorized per Revised PD	Request for Alternate PD	Change from Revised PD
Category 1 - Reliability-Based & Emergency Programs				
Base Interruptible Program (BIP)	\$ 666,349	\$ 666,349	\$ 666,349	\$ -
Optional Binding Mandatory Curtailment/Scheduled Load Reduction (OBMC/SLRP)	\$ 413,532	\$ 413,532	\$ 413,532	\$ -
Category 1 Total	\$ 1,079,881	\$ 1,079,881	\$ 1,079,881	\$ -
Category 2 - Price Response Programs				
Demand Bidding Program (DBP)	\$ -	\$ 3,216,000	\$ 3,216,000	\$ -
Capacity Bidding Program (CBP)	\$ 11,533,495	\$ 10,347,820	\$ 11,533,495	\$ (1,220,965)
Peak Choice	\$ -	\$ 1,530,000	\$ 1,911,691	\$ (161,691)
Peak Choice with DBP	\$ 10,500,921	\$ -	\$ -	\$ -
AC Cycling Smart AC	\$ 24,994,094	\$ 19,363,335	\$ 24,994,094	\$ (5,640,759)
Category 2 Total	\$ 47,058,500	\$ 34,662,155	\$ 41,684,670	\$ (7,022,515)
Category 3 - DR Service Provider (Aggregators) Managed Programs				
AMP	\$ 1,187,710	\$ 1,187,710	\$ 1,187,710	\$ -
Business Energy Coalition (BEC) - 2009 Only	\$ -	\$ -	\$ -	\$ -
Category 3 Total	\$ 1,187,710	\$ 1,187,710	\$ 1,187,710	\$ -
Category 4 - Emerging & Enabling Technologies				
AutoDR	\$ 26,297,459	\$ 26,297,459	\$ 26,297,459	\$ -
DR Emerging Technology	\$ 3,749,238	\$ 3,749,238	\$ 3,749,238	\$ -
Category 4 Total	\$ 30,046,697	\$ 30,046,697	\$ 30,046,697	\$ -
Category 5 - Pilots				
IRR Phase 2	\$ 2,458,336	\$ 2,458,336	\$ 2,458,336	\$ -
T&D DR	\$ 2,458,336	\$ 2,458,336	\$ 2,458,336	\$ -
PHEV/EV (incl. HAN-EV)	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -
2009-2011 Pilots	\$ -	\$ -	\$ -	\$ -
Category 5 Total	\$ 7,916,672	\$ 7,916,672	\$ 7,916,672	\$ -
Category 6 - Evaluation, Measurement, and Verification				
DRMEC	\$ 15,720,981	\$ 14,520,981	\$ 14,520,981	\$ -
DR Research Studies	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -
Category 6 Total	\$ 15,720,981	\$ 15,720,981	\$ 15,720,981	\$ -
Category 7 - Marketing, Education, and Outreach				
Statewide Marketing	\$ 2,172,510	\$ 2,172,510	\$ 2,172,510	\$ -
DR Cost Marketing & Outreach	\$ 14,579,197	\$ 12,288,656	\$ 16,167,953	\$ (3,879,357)
Education and Training	\$ 771,993	\$ 771,993	\$ 771,993	\$ -
Category 7 Total	\$ 27,523,695	\$ 15,234,099	\$ 19,112,456	\$ (3,878,357)
Category 8 - DR System Support Activities				
InterAct/DR Forecasting Tool	\$ 14,407,887	\$ 14,407,887	\$ 14,407,887	\$ -
DR Enrollment & Support	\$ 15,787,400	\$ 11,824,001	\$ 15,787,400	\$ (3,963,399)
Notifications	\$ 11,327,715	\$ 7,427,715	\$ 7,427,715	\$ -
DR Integration Policy & Planning	\$ 3,893,342	\$ 3,893,342	\$ 3,893,342	\$ -
Category 8 Total	\$ 45,416,344	\$ 37,552,945	\$ 41,516,344	\$ (3,963,399)
Category 9 - Integrated Programs and Activities (Including TA)				
Technology Incentives (TI)	\$ 7,089,939	\$ 3,538,000	\$ 3,538,000	\$ -
PEAK	\$ 1,119,659	\$ 560,000	\$ 560,000	\$ -
Integrated Marketing & Outreach	\$ 608,510	\$ 304,500	\$ 304,500	\$ -
Integrated Education & Training	\$ 121,702	\$ 61,000	\$ 61,000	\$ -
Integrated Sales Training	\$ 152,128	\$ 76,000	\$ 76,000	\$ -
Integrated Energy Audits	\$ 2,528,037	\$ 1,264,000	\$ 1,264,000	\$ -
Integrated Emerging Technology	\$ 879,661	\$ 440,000	\$ 440,000	\$ -
IDSM Clearinghouse	\$ -	\$ -	\$ -	\$ -
Category 9 Total	\$ 12,499,636	\$ 6,243,500	\$ 6,243,500	\$ -
Category 10 - Special Projects				
DR-HAN Integration (excl. HAN-EV)	\$ 30,716,000	\$ 20,020,000	\$ 20,020,000	\$ -
Permanent Load Shifting (PLS)	\$ 15,129,846	\$ 25,000,000	\$ 25,000,000	\$ -
Category 10 Total	\$ 45,845,846	\$ 45,020,000	\$ 45,020,000	\$ -
TOTAL DR Portfolio	\$ 234,295,962	\$ 194,664,640	\$ 209,528,911	\$ (14,864,271)

Reduction no longer needed to make CBP cost-effective.
Amount needed to transition customers on to other DR programs (PG&E or otherwise).

PG&E should be able to enroll new SMB customers – combined program is cost-effective.

SmartAC ME&O budget restored.

Reduction no longer needed to make BIP cost-effective.