

CPUC Energy Division High Level Summary of R.12-06-013 Bill Impact Calculator Party Feed-back from December 6, 2012 Workshop

The purpose of this summary is to convey some of the party feed-back and proposed changes to the model to the IOUs to inform discussions with the parties on further iteration of the bill impact calculator models. This summary is not a workshop report. It is not an attempt to capture every issue raised in the workshop.

1) Additional Model Functionality

TOU

1. Ability to include tiered, TOU rates (e.g., 2 or 3 or 4 tiers, with a TOU overlay).
2. Ability to adjust the differentials between the TOU rates.
3. Ability to time-differentiate the distribution component or other cost component (not just the generation portion of the rate).
4. Ability to create TOU periods that are different from the current TOU periods, and look at how they might change over time.
5. Ability to model a scenario with a non-TOU baseline rate, and un-tiered TOU rates for usage above baseline. (The model may already do this with the baseline credit which achieves the same result.)
6. Ability to change the seasonal TOU rates: seasonal TOU ratios, on-peak/off-peak ratios and the rates themselves.

Tiers and Baseline

7. Ability to change the tiers themselves (e.g., quantities in each tier) and to change the price differentials between the tiers.
8. Ability to model medical baselines and other rate design elements or structures that address medical needs.

Low-Income Assistance

9. Ability to change the CARE discount by Tier.
10. Ability to apply CARE discount on all rate components and charges.
11. Ability to define an income-sensitive CARE discount, e.g., a “staggered” discount with different % discounts for different income levels.

12. Ability to set different discounts for different levels of consumption –both CARE rate discounts and new fixed credit discounts.
13. Ability to model % of income payment plans (PIPPs).
14. Ability to turn SB 695 rate restrictions on and off.
15. Ability to hold CARE discount constant.

Minimum Bill and Fixed Charges

16. Ability to include larger minimum bills and to set minimum bill for delivery charges only.
17. Ability to adjust the minimum bill for the distribution portion of the bill.
18. Ability to adjust the consumption intervals for demand-differentiated fixed charges.

Other

19. Ability to model different GHG Dividend scenarios.
20. Ability to incorporate demand response into results
21. Ability to model two different side-by-side rates (one default and one optional) to take into consideration self-selection bias. An example of optional rates would be electric vehicle TOU, PTR, and CPP.
22. Ability to consider temporal changes such as shifting load profiles.
23. Ability to model different customer load profiles.
24. Some parties seek a "blank canvas/blue sky" opportunity to examine alternative rate designs. Note: Energy Division suggests that parties focus on identifying specific rate design elements that they want the model to be able to accommodate. The functionality of the model does not preclude the types of rate design proposals parties may submit in the Spring of 2013.

Issues with Bill Impact Calculations and Results

1. Separate the CARE, non-CARE effects. (The IOUs indicated that this is in the model already.)
2. Provide PG&E results by each baseline region (not groups of regions.) PG&E indicated that this was possible.
3. Show impacts disaggregated into a great number of load profiles beyond low, med, and high.
4. Change labeling of "% of Fixed Costs" to "% of Revenue Requirements met by fixed Charge".

5. Greater granularity as in a GRC. DRA indicated that they would like a spreadsheet that includes 25 different groups of \$ impacts, similar to that provided by PG&E in its GRC Phase 2.
6. Include bill impacts for NEM customers and non-NEM customers.
7. Can the user take load profile data from one of these models and drop it into another of the models?
8. How will the models be calibrated? Will you show us your model calibration data and analysis?

Cost Issues

1. The model does not differentiate costs between multi-family and single-family customers.
2. Costs should be able to be user defined. All of the utilities indicated that they will include this capability.
3. For many of the cost components, it is not clear how these costs are allocated (e.g., public purpose programs and other non-bypassable charges--nuclear decommissioning, DWR bond charges, competition transition charge), as well as transmission costs.
4. Transmission costs should simply be included in the model based on how they are approved by FERC in cents per kWh and not loaded on a \$/kW basis.
5. How the costs for the public purpose programs are modeled should be clarified and, in TURN's opinion, should be included on a cents per kWh basis. At the very least, parties should be able to define all of these cost components themselves, transmission, public purpose, etc.
6. It is not clear that the distribution cost basis is appropriate for rate design, although it is used as a proxy for revenue allocation.
7. All of the IOU models display output results that compare proposed rates to current rates and to "cost-based rates." Some parties prefer to keep the comparison to "cost-based rates" provided these costs can be user-defined. Others suggested that instead of "cost-based rates" the comparison rate should be "settled rates" which they suggest would to some degree reduce the controversy over the output results and enable more apples to apples comparisons.