

**BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the Role of  
Demand Response in Meeting the State's Resource  
Planning Needs and Operational Requirements

---

Rulemaking 13-09-011  
(Filed September 19, 2013)

**PREHEARING CONFERENCE STATEMENT OF ENVIRONMENTAL DEFENSE FUND**

Lauren Navarro  
Attorney  
Environmental Defense Fund  
1107 9<sup>th</sup> St., Suite 1070  
Sacramento, CA 95814  
Phone: (916) 492-7074  
Email: [lnavarro@edf.org](mailto:lnavarro@edf.org)

Dated: October 11, 2013

**BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the Role of  
Demand Response in Meeting the State's Resource  
Planning Needs and Operational Requirements

Rulemaking 13-09-011  
(Filed September 19, 2013)

**PREHEARING CONFERENCE STATEMENT OF ENVIRONMENTAL DEFENSE FUND**

Environmental Defense Fund (EDF) commends the Commission for launching this Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resources Planning Needs and Operational Requirements, and for identifying important issues to be examined in the proceeding. EDF recommends the following questions and issues be added to those listed in the Rulemaking:

1. (b) *If demand response (DR) programs are bifurcated into demand- and supply-side resources, how can the Commission ensure that both sides be provided commensurate financial incentives that match the system benefits they provide?* EDF would like utilities to be presented with economic incentives to procure demand-side resources, such as time-variant tariffs, in a manner that is commensurate with procurement of supply-side resources. To the extent that each side provides equivalent services to the grid, the utilities and third parties should be presented with similar financial incentives to develop them.

(c) *Will bifurcation of DR into supply- and demand-side resources result in missed opportunities for integration?* From the perspective of residential and commercial energy users, decisions to invest in energy efficiency, self-generation, storage and DR capacity will be based on balancing the benefits associated with reducing grid purchases (a demand-side resource) with those derived by creating supply-like resources that can be exported to the grid. Policy decisions should similarly be based on presenting energy users and investors with transparent, commensurate information and incentives on both the supply- and demand-sides.
2. (a) *How should time-variant tariff programs be treated within the DR rubric so that they have an equal opportunity as other resources to achieve valuable load shifts and conservation?* Tariffs should be in the first line of defense in communicating to ratepayers the actual costs of their electricity use, and this information should be distinguishable on the grid at a given time and place. Yet, as evidenced by penetration rates for existing voluntary residential time of use rates (TOU), the utilities have little incentive to effectively design and market these tariffs. Methods to induce the utilities to develop and effectively market voluntary, fully cost-based, time-variant

