

November 6, 2013

California Public Utilities Commission
 Energy Division
 ED Tariff Unit
 505 Van Ness Avenue, 4th Floor
 San Francisco, CA 94102

**Re: Substitute Sheets for the Utilities Advice Filing, PG&E's
 Advice 4306-E, et al., *The Utilities Joint Statewide Automated
 Demand Response Program Design Proposal***

Dear Energy Division Tariff Unit:

An original and three copies of substitute sheets are attached for the above-referenced joint utilities advice filing¹.

On October 31, 2013, Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison (SCE) (jointly, "the Utilities"), submitted the above-referenced joint advice filing. The attached substitute sheet revises the language in the advice letter to be consistent with the proposed incentive calculation as correctly described in the Utilities Post 2014 Automated Demand Response Statewide Program Proposal (Attachment A, Section 4.2.1). The correction is as follows:

Sheet	From	To (Redline)
Advice Letter, at page 2	Customers who choose to participate in ADR may undergo an energy audit to determine strategies and equipment that are appropriate for the customer's facility. If the customer decides to move forward and install the recommended ADR-enabling equipment, a load shed test is conducted after the project is completed. The result of this test	Customers who choose to participate in ADR may undergo an energy audit to determine strategies and equipment that are appropriate for the customer's facility. If the customer decides to move forward and install the recommended ADR-enabling equipment, <u>the Utilities propose to base the ADR incentive payments on the estimated kW reductions</u>

¹ The joint utilities advice filing includes PG&E's Advice 4306-E, SDG&E's Advice 2534-E and SCE's Advice 2960-E.

	(measured in kW) serves as the basis for the ADR incentive payment that the customer receives. ADR customers are required to participate in a qualifying DR program, from which customers may receive on-going incentives based on their performances during event hours.	<u>approved during the project reservation review. A post-installation load shed test will be conducted to validate that the planned measures were implemented and the calculated load reductions from metered results were in alignment with the reservation.</u> a load shed test is conducted after the project is completed. The result of this test (measured in kW) serves as the basis for the ADR incentive payment that the customer receives. ADR customers are required to participate in a qualifying DR program, from which customers may receive on-going incentives based on their performances during event hours.
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In accordance with General Order 96-B, Section 7.5.1, the substitute sheet is being served in the same manner as the original advice letter.

Please telephone me at (415) 972-5505 should you have any questions regarding the substitute sheets.

/s/ Shirley Wong

Shirley Wong
Regulatory Relations

Attachment

industry open standards or protocols. During 2012, we allow an exception to the 60-40 split for all customers to maintain equitable treatment with the federal ADR grant program. The Utilities shall develop a statewide program with common program rules and incentive levels and submit a Tier 2 Advice Letter with a proposal no later than October 31, 2013.”

The Utilities’ Proposal for a Statewide ADR Program

ADR refers to automated technologies that allow a customer’s equipment or facilities to reduce demand automatically in response to a Demand Response (“DR”) program event or price signal, without the customer taking manual intervention. Preliminary data suggests that ADR enabled customers have a higher participation rate in DR programs and provide more consistent load shed. Data also suggests that customers on dynamic pricing rates perform better with ADR.²

A. Program Overview

ADR refers to automated technologies that allow a customer’s equipment or facilities to reduce demand automatically in response to a DR program event or price signal, without the customer taking manual intervention. ADR program offers customers an incentive to install ADR equipment that enhances their ability to reduce load during DR program events. In general the ADR program offers the following examples of equipment that qualifies for incentives:

- Wired and wireless controls for electrical end uses such lighting, HVAC, motors, pumps, fans, air compressors, process equipment, audio/video equipment, etc.;
- Energy Management hardware and software;
- Energy Management Systems integration, including repairs/upgrades/reprogramming of existing controls.

Customers who choose to participate in ADR may undergo an energy audit to determine strategies and equipment that are appropriate for the customer's facility. If the customer decides to move forward and install the recommended ADR-enabling equipment, the Utilities propose to base the ADR incentive payments on the estimated kW reductions approved during the project reservation review. A post-installation load shed test will be conducted to validate that the planned measures were implemented and the calculated load reductions from metered results were in alignment with the reservation. ADR customers are required to participate in a qualifying DR program, from which customers may receive on-going incentives based on their performances during event hours.

² A CalMAC study on the 2011-2012 Load Impact Evaluation of California Statewide Automated Demand Response Programs and an ADR Process Evaluation Study will be available by the end of 2013.