

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)

**JOINT COMMENTS OF ENERNOC, INC., JOHNSON CONTROLS, INC.,
AND COMVERGE, INC. ("JOINT DR PARTIES")
ON PROPOSED DECISION APPROVING TWO-YEAR BRIDGE FUNDING**

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December 30, 2013

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EnerNOC, Inc., Johnson Controls, Inc., and Comverge, Inc. ("Joint DR Parties") respectfully submit these Joint Comments on the Proposed Decision Approving Two-Year Bridge Funding for Demand Response ("DR") Programs ("Proposed Decision") mailed in this rulemaking on December 9, 2013. These Joint Comments are timely filed and served pursuant to Article 14 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.¹

**I.
THE PROPOSED DECISION CORRECTLY FINDS THAT
BRIDGE FUNDING IS APPROPRIATE FOR 2015 AND 2016.**

The Joint DR Parties support the findings in the Proposed Decision that approve bridge funding for DR programs for 2015 and 2016. Continuing funding for DR Programs through 2016 will provide funding and program stability, as the Commission explores how to structure future DR resources in this proceeding.

The Joint DR Parties have expressed the importance of the continuation of program funding for current programs due to the unlikelihood that the Commission will be able to resolve issues identified within the scope of this proceeding with enough time to implement the

¹ Pursuant to Rule 14.3(a) of the Commission's Rules of Practice and Procedure, comments on Proposed Decisions are due within 20 days of the date of its service. In this case, because the 20th day falls on a Sunday, Rule 1.15 the "time limit is extended to include the first day thereafter" or Monday, December 30, 2013.

successor programs before the expiration of the current program funding. Further, there is a high likelihood that the development of future DR programs may extend beyond 2015, making a two-year bridge funding period necessary.

Therefore, the Joint DR Parties support the Proposed Decision's conclusion to continue funding through 2016. In addition, the Joint DR Parties support the Commission making this finding well in advance of the expiration of the current program funding cycle. The advance determination avoids brinksmanship, rushed decision-making and implementation, and provides advance certainty for 2015 and 2016.

**II.
THE PROPOSED DECISION APPROPRIATELY ALLOWS FOR
2-YEAR BRIDGE FUNDING WITH MODIFICATIONS, WHICH
SHOULD INCLUDE THE CONTRACT AMENDMENTS INCLUDED
IN THE RECENTLY FILED JOINT PFM OF D.13-01-024.**

The Joint DR Parties had requested consideration of a provisional 2-year bridge funding period, which would expire upon implementation of replacement contracts. This recommendation was made in consideration of the time required to resolve issues within the scope of this rulemaking, commence a 3-Year DR Program Application process, issue requests for offers (RFOs), negotiate contracts, and receive Commission approval of those contracts.

The Proposed Decision provides for 2-year bridge funding, and, as indicated above, the Joint DR Parties support this finding. The Joint DR Parties, however, had asked the Commission to examine contract modifications that would be implemented immediately and were necessary for the 2014 contract year. The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA) had asked to make some changes in program funding and operation, respectively.

In this regard, the Proposed Decision does find that modifications can be made to improve the DR Programs for 2015 and 2016.² The Joint DR Parties agree with this conclusion, but also believe that the Proposed Decision should expressly recognize a now pending Joint Petition for Modification as among those modifications that will be included in the two-year bridge funding.

Specifically, on December 20, 2013, a Joint Petition for Modification of Aggregator Managed Portfolio (AMP) Contracts under Decision 13-01-024 (Joint PFM) was filed in Application (A.) 12-09-004, et al., by Pacific Gas and Electric Company (PG&E), EnerNOC, and Energy Curtailment Specialists. These contract modifications were for the 2014 DR contract year.

The Joint DR Parties have negotiated, alongside other DR aggregators, modifications to the current DR contracts with PG&E, which are supported by ORA, for the 2014 contract year. The contract amendments meet the objectives of both the DR aggregators and the Office of Ratepayer Advocates (ORA), which is supportive of the Joint PFM's modifications to certain operational aspects of the contracts. If the Joint PFM and the associated contract amendments submitted with the petition are adopted by the Commission, PG&E should be permitted to seek two-year bridge funding for these contracts.

Such a result is consistent with the intent of the Proposed Decision to include such modifications in the DR programs in exchange for bridge funding and further recognizes the efforts of these parties, through their own initiative, to proactively address specific concerns. The collective actions of the participating parties will prove to be efficient and expedient in determining and agreeably resolving these contract modifications, in exchange for a two-year

² Proposed Decision, at p. 8.

bridge funding commitment. The Joint DR Parties offer a proposed revision to Finding of Fact 7 in Appendix A hereto in furtherance of that recommendation.

III. CONCLUSION

The Joint DR Parties are supportive of the Proposed Decision. The Joint Parties also urge consideration of the AMP contract modifications submitted through the Joint PFM as meeting the need for making “narrow improvements” to the contracts in exchange for two years of bridge funding through 2016.³

December 30, 2013

Respectfully submitted,

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³ Proposed Decision, at p. 8.

APPENDIX A

JOINT DR PARTIES' PROPOSED FINDING OF FACT

For the reasons stated in these Joint Comments, the Joint DR Parties propose the following modifications to Finding of Fact 7 of the Proposed Decision. Please note the following:

- A page citation to the Proposed Decision for Finding of Fact 7 is proposed is provided in brackets.
- Added language is indicated by **bold type**.

PROPOSED FINDING OF FACT:

7. [10] It is practical that the current demand response programs be revised on a narrow basis to improve their success, **an example of which is the Joint Petition for Modification of AMP Contracts Under Decision 13-01-024 filed on December 20, 2013, in A.12-09-004, et al.**