

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)

**THE OFFICE OF RATEPAYER ADVOCATES' REPLY COMMENTS ON
PROPOSED DECISION APPROVING TWO-YEAR BRIDGE FUNDING
FOR DEMAND RESPONSE PROGRAMS**

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January 6, 2014

I. INTRODUCTION

The Office of Ratepayer Advocates (ORA) submits the following reply comments on the Proposed Decision (PD) of Administrative Law Judge Kelly A. Hymes dated December 9, 2013. The PD grants up to two years of bridge funding for the 2015-2016 Demand Response (DR) programs operated by Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), and Southern California Edison Company (SCE).¹ The two year bridge funding provides continuity while the California Public Utilities Commission (CPUC) determines the role of DR in meeting California's resource needs.

II. DISCUSSION

All parties, including ORA, support bridge funding. In opening comments, ORA identified several program changes the Commission can implement immediately.² ORA clarified program administration changes to ensure the programs can provide the expected benefits when they were first approved. The changes are based on problems with existing DR program administration and the performance of programs in 2013. These changes can be implemented in 2014 *before* the 2015 bridge funding year or even before the future guidance Ruling is issued.³

CLECA argues that there should be no new substantive changes to programs in 2015.⁴ CLECA states any substantive changes such as changing program triggers would

¹ PD, OP # 1.

² R. 13-09-011. The Office of Ratepayer Advocates' Comments on Demand Response Bridge Funding and Staff Pilot Proposals, dated October 30, 2013.

³ The Joint Petition of EnerNOC Inc., EnergyConnect, Inc., Energy Curtailment Specialists, and Pacific Gas and Electric Company (U39E) For Modification of Aggregator Managed Portfolio Contracts under Decision 13-01-024, dated December 18, 2013, demonstrates that program changes can be achieved in 2014.

⁴ CLECA, Opening Comments, p. 2.

require testimony and hearings for which there is insufficient time before 2015.⁵ Contrary to CLECA's argument, ORA has found the Commission staff and parties can work collaboratively to identify and implement any necessary changes.⁶ If limited testimony and hearings are indeed needed before implementing certain changes in 2015, there is no reason why that cannot be accomplished during 2014. CLECA should join others in finding collaborative solutions to make demand response an effective and successful resource in meeting future needs of the grid.

Utilities, ORA, and other parties involved in the program can work collaboratively to agree and implement more complex changes in the 2015 bridge funding year. These changes could be based on any additional lessons learned in 2014. Only those changes that require longer development and implementation should be deferred to 2016. The changes to be implemented in 2015-2016 bridge funding years should also move the programs closer to what the utilities expect to file in their 2017-2019 DR program cycle applications in early 2016.

As more experience is gained with the CAISO markets, ORA supports a continuous transition of DR programs through 2017. Coupled with this, the Commission should carry out regular evaluations of changes and a compilation of lessons learned to be reflected in the programs. Otherwise, the existing programs will continue more or less in their current state during 2015 and 2016; as a result, the utilities may not be prepared to have demand response perform the substantive role the Commission desires in 2017.

⁵ *Id.*

⁶ See Footnote 6.

III. CONCLUSION

In summary, the Commission should strive for a continuous transition of demand response programs during 2015- 2016 bridge funding years from where they are today to where they should be in 2017. ORA urges the Commission to order all parties to work collaboratively to implement in 2014 the program changes recommended by ORA in its October 30, 2013 response to the Rulemaking. Finally, the Commission should order utilities to implement any additional program changes necessary during 2015 and 2016 so the programs could be transitioned smoothly to reflect Commission's goals for demand response in the next program cycle beginning in 2017.

Respectfully submitted,

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