BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local Procurement Obligations	R.11-10-023 (Filed October 20, 2011)

COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON THE ENERGY DIVISION'S RESOURCE ADEQUACY PROPOSALS ISSUED ON JANUARY 16, 2014 AND DISCUSSED AT THE JANUARY 27, 2014 WORKSHOP

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Pursuant to the February 4, 2014 e-mail from the assigned administrative law judge (ALJ) and the schedule set forth in the August 2, 2013, *Phase 3 Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge*, Pacific Gas and Electric Company (PG&E) provides these comments on the Energy Division's resource adequacy (RA) proposals which were discussed at the January 27, 2014 workshop in this proceeding. The proposals were initially circulated on January 16, 2014 as well as prior to the workshop on January 27, 2014. The proposals were also attached to and made part of the record by the February 4 e-mail from the assigned ALJ.[1/]

The Energy Division's proposals are set forth in three papers:

- Effective load carrying capability (ELCC) methodology for calculating the qualifying capacity (QC) of wind and solar resources (ED Paper On ELCC For Wind And Solar);
- Calculation of the QC and effective flexible capacity (EFC) for energy storage and supply-side demand response resources (ED Paper On QC And EFC For Storage And Supply-Side Demand Response); and

1/ Workshop comments were originally due on February 17, 2014, but, as noted in the ALJ's February 4 e-mail, due to a state holiday on that date comments may be filed on February 18, 2014.

- Six proposed modifications to the California Public Utilities Commission's (Commission) RA program (ED Paper On RA Implementation).

PG&E's comments on the Energy Division's proposals are set out below. In addition, consistent with its request last year, PG&E requests that the Commission authorize PG&E to continue to calculate, in 2014, the load impacts for its critical peak pricing programs using the 2:00 – 6:00 p.m. time period.

I. EFFECTIVE LOAD CARRYING CAPABILITY AND QUALIFYING CAPACITY CALCULATION METHODOLOGY FOR WIND AND SOLAR RESOURCES

In a paper dated January 16, 2014, the Energy Division puts forth its proposal for calculating the QC of wind and solar resources using the ELCC methodological approach.

PG&E supports this initiative in general, and applauds the Energy Division for the progress it has made in compiling the necessary data set, and beginning the necessary modeling work to calculate ELCC for wind and solar resources.

However, at this point PG&E recommends that the ELCC approach not be targeted for 2015 RA compliance year implementation, but targeted for the 2016 RA compliance year. Implementation for the 2015 RA compliance year would not provide sufficient time for the appropriate stakeholder review and input once the Energy Division provides the actual calculation results that it recommends be adopted.

Additionally, in order to minimize commercial disruption and to preserve the value to customers from the existing portfolio of contracts, PG&E proposes that the Commission transition from the current 70 percent exceedance methodology for determining QC of solar resources to the ELCC approach, completing the transition by the beginning of 2022. Adoption of the ELCC methodology to determine QC of solar resources will likely have a significant impact on their RA value.

A. The ELCC Approach Is Insufficiently Developed To Be Used For The 2015 RA Compliance Year; Adoption Should Be Targeted For The 2016 RA Compliance Year

While PG&E supports the effort to develop the ELCC methodology to calculate the QC for wind and solar resources, the recommended approach should not be used to set RA values for wind and solar resources for the 2015 RA compliance year. Of most concern, parties have yet to see any modeling results from the Energy Division. PG&E anticipates that there will be a necessary period of refinement of modeling results *after* initial results are provided to the parties for their review and evaluation.

For example, PG&E and other parties submitted informal comments on December 10, 2013, regarding draft Energy Division recommendations on ELCC modeling inputs and assumptions. These draft staff recommendations have not been updated since they were originally released on November 25, 2013, so it is unclear to PG&E what inputs and assumptions will ultimately be used for developing preliminary results in the coming months. There are potentially still numerous areas of disagreement among the parties, and many critical implementation issues that have been raised by PG&E and other parties must still be addressed by the Energy Division.

In short, there is insufficient time to finalize the ELCC calculations for wind and solar resources for the 2015 RA compliance year prior to issuance of a Commission decision in June 2014. The better approach is for the Energy Division to continue to work on ELCC with the parties over the next several months, carrying out actual calculations and refining them based on subsequent feedback. If this effort continues without interruption, it is reasonable to anticipate that the Energy Division will obtain ELCC results for solar and wind resources that parties can support in time for the 2016 RA compliance year.

B. A Multi-Year Transition Period Should Be Used To Transition RA Values For Solar Resources To Those Derived Using The ELCC Approach

Load-serving entities (LSEs) carry out commercial transactions on an ongoing basis in order to ensure their compliance with RA requirements. The shift from the current 70 percent

exceedance methodology to the ELCC methodology for calculating the RA value of solar resources may have a significant effect on LSEs' RA compliance efforts, and on the value of the RA portfolios held by the affected LSEs. In order to protect customers from an immediate, significant loss of value due to the ELCC calculation methodology being applied to solar resources, the transition should be spread out over several years.

This approach is consistent with the approach the Commission applied to "liquidated damages" contracts when the RA program was first adopted. It was determined that the RA value for these resources should ultimately be zero, but the RA value for these contracts was not set to zero immediately. They were phased out over three years to allow LSEs to manage the effect of no longer being able to count these resources toward their reliability obligations in the fourth year.[2/]

PG&E proposes that the transition period end by the beginning of 2022. Assuming that ELCC is first used in 2016, as recommended by PG&E, this provides for a six year (2016 – 2021) transition period, with full implementation of ELCC for solar resources at the beginning of 2022.

PG&E proposes a gradual transition, so that the RA value for a solar resource in 2016 is weighted as 90 percent exceedance, 10 percent ELCC. The RA value for these resources in 2021, the last transition year, the value would be weighted 40 percent exceedance, 60 percent ELCC. The transition would be complete by 2022, with the RA value for solar resources based 100 percent on the ELCC approach for that year and going forward. The proposed weighting for each year is provided in the table below.

2/ D.05-10-042, p. 64.

Transition To ELCC Methodology For Solar Resources

Year	70% Exceedance Method Weighting Factor	ELCC Method Weighting Factor
2015	100%	0%
2016	90%	10%
2017	80%	20%
2018	70%	30%
2019	60%	40%
2020	50%	50%
2021	40%	60%
2022 onward	0%	100%

This transition period should be applied to all solar resources with contracts signed prior to the date of the decision adopting the move from the exceedance methodology to the ELCC methodology to determine the QC of solar resources. Resource commitments after that date would have been made with full awareness of the adoption of the new method, and so no transition period would be appropriate for these resources.

II. QUALIFYING CAPACITY AND EFFECTIVE FLEXIBLE CAPACITY CALCULATION METHODOLOGIES FOR ENERGY STORAGE AND SUPPLY-SIDE DEMAND RESPONSE RESOURCES

In a paper dated January 16, 2014, the Energy Division puts forth its proposal for calculating the QC and EFC for energy storage and supply-side demand response resources.

A. PG&E Generally Supports The Energy Division's Proposal On QC And EFC Calculation Methodologies For Energy Storage

PG&E supports the Energy Division's proposal on QC and EFC for energy storage resources. In particular, PG&E supports the EFC calculations which allow an EFC value to exceed the net QC value, recognizing that a storage resource can have a negative Pmin.[3/] PG&E encourages the Energy Division to work closely with the California Independent System Operator (CAISO) to ensure there is alignment between the Commission and the CAISO on these approaches. The RA counting methodology for these resources, as established by the

3/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 6.

Commission, should be in agreement with the market criteria established at the CAISO for them.

B. PG&E Generally Supports The Energy Division's Proposal On QC And EFC Calculation Methodologies For Demand Response, But Requests Several Modifications

PG&E also generally supports the Energy Division's proposal on QC and EFC for demand response resources provided that several modifications outlined below are made to the proposal in the interest of accurately portraying the utility's existing demand response programs and addressing various calculation and implementation details.[4/]

1. Testing Of Demand Response Resources Should Take Weather Conditions Into Account, And The Load Impact Protocols May Need To Be Modified To Incorporate CAISO Sub-Load Aggregation Points

The Energy Division proposal requires that demand response be tested and/or dispatched at least once annually, to demonstrate initial and continued performance. The Energy Division indicates that testing should simulate expected dispatch conditions, and two-hour testing is required to ensure performance does not degrade over the course of operation. As proposed by the Energy Division, operators should be paid for the test event exactly as if it were a regular dispatch event. This testing is to be designed in coordination with the CAISO, to avoid duplicative testing.[5/]

The Energy Division proposes to use the forecasted value of a demand response resource based on the Commission-adopted demand response load impact protocols (LIP) to determine the resource's QC value.[6/] This value would be confirmed by the dispatch or test, as the case

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4/ At page 2 of the ED Paper On QC And EFC For Storage And Supply-Side Demand Response, the Energy Division contrasts "supply-side demand response" with "customer-focused programs and rates." PG&E understands that the distinction that the Energy Division is drawing is between those demand response programs that are bid into the CAISO markets, and those that are not, which PG&E sometimes describes as "demand-side." To the extent that the Energy Division is suggesting that any demand response programs, including supply-side, are not customer-focused, PG&E disagrees. Regardless of how demand response resources fit into the supply-side and demand-side categories, to be successful each of them must be customer-focused.

5/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 4.

6/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 5.

might be.[7/]

As an initial point, PG&E agrees with the Energy Division on the importance of coordinating with the CAISO to ensure that the test event meets the needs of both the Commission and the CAISO. PG&E notes, for example, that any compensation for the tests out of the wholesale market would have to be addressed in the CAISO tariff.

a. Testing Should Take Weather Conditions Into Account

PG&E has no objections to the use of a test event to demonstrate the performance of a wholesale demand response resource. However, one concern PG&E has with the proposed testing is that it is not clear how weather conditions will be taken into account in confirming a demand response resource's forecasted load impact. At the January 27, 2014 workshop, the Energy Division indicated that a demand response resource's QC value would be based on 1-in-10 weather conditions, but this detail is absent from the Energy Division's January 16 proposal. The current practice, where 1-in 2 year weather conditions are used for system RA values for demand response, and 1-in-10 year weather conditions are used for local RA values, should be continued.

b. Load Impacts For Supply-Side Demand Response Will Need To Be Evaluated At The Sub-Load Aggregation Point Level

The CAISO framework for supply-side demand response is likely to be focused on CAISO sub-load aggregation point (sub-LAP) granularity. Therefore, the load impact evaluation for supply-side demand response resources will have to be able to take this level of granularity into account.

2. More Details Should Be Provided Regarding The Energy Division's Proposal To Use Aggregated Performance Data

The Energy Division seeks parties' feedback on its proposal that aggregated resources may provide performance data from a single aggregation point and need not report individual

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7/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 4.

element performance in real time or on a regular basis.[8/]

PG&E cannot provide substantive feedback on this proposal because it is not sufficiently detailed. PG&E requests that the Energy Division provide more details on its proposal, including the problem or issue this proposal is intended to address.

3. The Adjustments Used To Modify The RA Values For Demand Response Resources That Would Otherwise Result Solely From Use Of The Load Impact Protocols Should Be Clearly Set Forth

The Energy Division proposes that supply-side demand response performance be measured based on ex-post (after-the-fact) analysis of testing and dispatches using the LIPs, as is the case for the utilities' current demand response programs.[9/] In determining the resource's QC and EFC, test results may be adjusted by the Commission to reflect anticipated changes in weather, enrollment, or program design.[10/] While PG&E agrees that demand response performance should be measured based on ex-post analysis in compliance with the LIPs, the January 16 proposal is not clear on what specific adjustment(s) the Commission plans to make.

If the Commission plans to adjust the LIP value of a demand response resource to determine the QC and EFC values, it must do so in a predictable, transparent manner. Under the current practice of determining the QC value for existing demand response programs, PG&E submits its annual Load Impact Report to the Energy Division in April of each year. The Energy Division then makes adjustments to the forecasted load impacts for some or all demand response programs and provides PG&E with the final QC values of the programs, which are then input into PG&E's year-ahead RA showing.

No explanation is provided for these adjustments. PG&E is concerned about the lack of transparency of this practice, especially if exercised for demand response resources being bid into the CAISO markets. If a potential demand response aggregator has no transparency as to

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8/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 4.
9/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 4.
10/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 4.

the factors affecting the determination of a supply-side demand response resource's QC, this could inhibit the development of these resources.

Therefore, to the extent the Commission plans to continue the practice of adjusting the QC value of demand response resources, the proposal should include a proposed methodology showing how and under what conditions such adjustments would be made. Adjustments should be clearly communicated to parties in a clear and transparent manner.

4. Contrary To The Statement In The Energy Division's Paper, Demand-Side Demand Response Programs Are Treated As RA Resources

The Energy Division states that demand-side demand response programs "count towards reliability needs as load modifiers...and are included in load forecasting rather than receiving a QC or EFC."[11/] This is incorrect. Under the current RA framework, all demand response programs, including critical peak pricing programs, count as supply-side resources; in other words, they are treated as capacity that can be used to meet an LSE's RA requirements. If Energy Division is proposing a change in this policy, a more robust discussion of the topic is needed.

PG&E recognizes that there must be consistency with respect to how loads and resources are accounted for RA purposes. If at some point in the future some demand-side programs are reflected as load modifiers, then at that time it would not make sense to also provide these resources with a QC and EFC values for RA purposes.

5. PG&E Supports Further Investigation Into Allowing Larger Aggregation Granularity

The Energy Division requests parties' input as to the desirability of coordinating with the CAISO to enable larger aggregation granularity (e.g., by IOU service territory) for system and flexible RA in future years.[12/] PG&E strongly supports Commission coordination with the

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11/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 2.
12/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 2.

CAISO to enable the creation of default load aggregation point (DLAP, as defined in the CAISO tariff[13/]) level supply-side demand response resources that could be used to meet system and flexible RA requirements. By the very nature of system and flexible RA requirements, DLAP-level demand-side resources can effectively be used to meet these needs while promoting entry into the wholesale market.

6. Demand Response Resources Should Not Have To Qualify To Provide System RA Capacity In Order To Qualify To Provide Flexible RA Capacity

Under the flexible RA structure that has been adopted by the Commission, resources wishing to qualify to provide flexible RA must also be qualified to provide system RA. Pmax values for flexible RA shall be identical to those utilized in determining the resource's system RA credit. The Energy Division notes these existing rules in setting forth its proposal for the calculation of EFC for energy storage and demand response.[14/]

Requiring demand response resources providing flexible RA to meet the requirements of system RA, as well, would likely result in a very broad daily operating window which could create a significant barrier to demand response resources' participation as flexible RA. The retail customers who constitute demand response resources may not be willing to meet the additive requirements associated with both flexible and system RA. The Commission should eliminate this requirement, so that demand response resources can qualify exclusively for flexible RA.

III. ENERGY DIVISION'S PROPOSED REFINEMENTS TO THE RESOURCE ADEQUACY PROGRAM

In a paper dated January 16, 2014, the Energy Division puts forth the following six proposals for refinements to the RA program:

1. To eliminate the RA benefits for "cost allocation mechanism" (CAM) resources and combined heat and power (CHP) resources when those

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13/ CAISO Tariff, Appendix A, Master Definition Supplement. Located at: https://www.caiso.com/Documents/ConformedTariff_Dec17_2013.pdf.

14/ ED Paper On QC And EFC For Storage And Supply-Side Demand Response, p. 5.

resources are located outside of the service area of the procuring investor-owned utility (IOU) (Energy Division proposal 1);

2. To modify the scheduled outage replacement rules and standard capacity product (SCP) mechanisms for CAM and CHP resources (Energy Division proposal 2);

3. To establish the methodology for allocating the EFC for committed CAM resources (Energy Division proposal 3);

4.1 To modify the local RA obligations of an LSE serving less than 5 MW of load in an IOU's service territory (Energy Division proposal 4.1);

4.2 To modify the intra-compliance year readjustment of local RA obligations among LSEs (Energy Division proposal 4.2); and

4.3 To modify the intra-compliance year reallocation of the system RA value of CAM resources (Energy Division proposal 4.3).

PG&E addresses aspects of proposals 1, 2, 3, and 4.1 below. In summary, PG&E does not support adoption of proposals 1, 2, and 4.1, supports proposal 3 assuming that one point is clarified, and does not oppose proposals 4.2 and 4.3.

A. Resource Adequacy Benefits Should Not Be Eliminated For CAM Or CHP Resources Located Outside Of An IOU's Service Area As Proposed in Energy Division Proposal 1

PG&E does not support the Energy Division's proposal to eliminate the RA value of CAM and CHP resources procured by an IOU outside of its service territory. The Energy Division's proposal should be rejected because it fails to provide the full value of those resources to customers.

IOUs are required to consider location when procuring resources that provide RA value. A utility may adjust the valuation of the RA attribute of a resource located outside of its service area due to the Path 26 constraint, lack of local RA need, or various other constraints or concerns. However, after accounting for these constraints and concerns, the IOU will procure the resources that provide the most value for its customers. Resources located outside of an IOU's service territory can provide an RA value, and not accounting for a portion of that value by simply ignoring the RA benefits that the resource provides makes no sense. Arbitrarily

preventing any RA value from being assigned to a CAM or CHP resource based on location undercuts the development of market mechanisms that help IOUs maximize reliability to customers at the lowest cost.

As discussed during the January 27, 2014, workshop, the CHP settlement agreement adopted in D.10-12-035 requires that IOUs procure a specific amount of CHP resources regardless of location. As with CAM resources, the most valuable resource(s), all factors considered, might not be located in the IOU's service area.

In short, the CAM or CHP resource's RA value should not be ignored simply because the resource is located outside the procuring IOU's service area.

The Energy Division bases its proposal, in part, on the existence of the Path 26 constraint.[15/] PG&E is not suggesting that the Path 26 constraint be ignored. Just as is the case for other RA resources, the RA treatment for these resources would have to take into account the Path 26 limitations.

B. The Energy Division's Proposed Outage Replacement Rules And SCP Mechanisms for CAM And CHP Resources As Described in Energy Division Proposal 2 Should Be Rejected

PG&E does not support the Energy Division's proposal with respect to the outage replacement rule and SCP mechanisms for CAM and CHP resources. First and foremost, the Energy Division's proposal is a solution in search of a problem. There is no explanation of why the proposed change is necessary, and no showing that it would work to customers' benefit or the benefit of the system.

The Energy Division does not explain why the current practice should be changed. Further, even if the current practice with respect to the outage rule and SCP mechanisms for these resources were changed, there is no reason that the IOU responsible for the initial procurement of a CAM or CHP resource should also be required to provide that resource's

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15/ ED Paper On RA Implementation, p. 3.

replacement or substitute RA on an ongoing, operational basis for both the IOU's share of the RA value of the resource and for other LSEs' shares of the RA value.

Changing the current practice as proposed by the Energy Division would place an administrative, compliance, and procurement burden on IOUs, a burden for which insufficient justification has been provided. This is particularly true in the case of CAM or CHP resources where the IOU is not the scheduling coordinator for the resource, and does not necessarily have any more insight into the planned or forced outages of the resource than would any other LSE benefiting from the resources' RA value.

Further, the Energy Division's proposal is flawed in that it assumes that all CAM and CHP resources can be managed as flexible RA resources.[16/] There is no demonstration that this is contractually or operationally feasible or necessary.

The Energy Division's proposal would impose a rigid framework on the IOUs that decreases the value of the IOUs' portfolios. It purports to give IOUs the flexibility to manage outages for the CAM and CHP RA resources that are currently treated as an RA credit, as a means to avoid or minimize the costs associated with the CAISO's replacement or SCP mechanisms. However, the proposal then takes away the flexibility it purports to give to the IOUs by requiring that the IOUs use certain resource types to replace CAM or CHP capacity due to a forced or schedule outage, in the following order:

> "1) Resources that are managed by the IOU via tolling agreements or utility ownership. The costs associated with this replacement will have to be determined.
>
> 2) Resources that the IOU needs to procure specifically for purpose of replacement, and which increase costs to the utility exceeding simple operation of the resources discussed above."[17/]

There are several challenges with this approach. First, an IOU, like all LSEs, should be able to provide replacement or substitute RA to the CAISO considering its entire portfolio of

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16/ ED Paper On RA Implementation, p. 5.
17/ ED Paper On RA Implementation, p. 5.

resources in a manner that seeks to minimize the total costs to customers of compliance. The Energy Division's proposal, with its specified replacement regime, may hamper an IOU from following this approach.

Further, the Energy Division's proposal does not specify any framework for determining the costs associated with replacement or substitute RA. Determining these costs, particularly when an IOU may provide the replacement or substitute RA from its own portfolio of resources, will be an administratively complex and potentially contentious issue.

Also, The Energy Division's proposal does not address the issue of IOUs being unable to procure replacement or substitute RA, which could occur, for example, in the case of an outage during the summer months when demand for RA is high. This possibility would have to be explicitly addressed.

In short, the Energy Division's proposal should be rejected. The Energy Division does not explain why it is necessary, it would be administratively burdensome for the IOUs, it would limit the IOUs' ability to manage their RA portfolios, it would potentially create ongoing controversy between IOUs and other LSEs, and the proposal begs a number of important implementation questions.

C. PG&E Requests A Clarification To Energy Division Proposal 3, Which Would Establish The Methodology For Allocating The EFC For Committed CAM Resources

PG&E requests that the Energy Division's proposal to allocate the EFC associated with CAM resources be clarified to confirm that it applies only to committed CAM resources. While the Energy Division's proposal focuses on committed CAM resources in one sentence, in the next it refers to "eligible" flexible resource.[18/] PG&E supports the proposal for allocating flexible capacity associated with committed CAM resources under the condition that the Energy Division clarify that only flexible capacity committed in RA plans would have allocated benefits.

18/ ED Paper On RA Implementation, p. 7.

D. All LSEs Should Be Treated Equally; The Total Amount of Local RA Obligations Of LSEs Serving Less Than 5 MW Of Load In An LSE's Service Territory Should Not Be Aggregated As Suggested In Energy Division Proposal 4.1

The Energy Division proposes to aggregate the local RA obligations in a given IOU service area for each LSE under 5 MW in size. PG&E opposes this proposal. The RA obligations should be applied equally to all LSEs, as stated in Public Utilities Code section 380(e).

IV. FOR 2014, LOAD IMPACTS FOR PG&E'S CRITICAL PEAK PRICING PROGRAMS SHOULD CONTINUE TO BE CALCULATED USING THE 2:00 – 6:00 P.M. TIME PERIOD

In its proposals, the Energy Division does not address the current approach for calculating the load impacts associated with PG&E's critical peak pricing (peak day pricing (PDP) and SmartRate™) programs. For 2013, the load impacts of these programs were calculated using a four-hour window, from 2:00 to 6:00 p.m., rather than the five-hour window from 1:00 to 6:00 p.m. that is used for other demand response programs. PG&E requests that the current approach for calculating the load impacts of the PDP program be continued for 2014 if the Commission does not issue a decision on PG&E's 2012 rate design window (RDW) application (A.12-02-020) by March 31, 2014. A decision approved after this date would not leave a sufficient amount of time for PG&E to implement the necessary changes to its PDP programs in time for the summer.

PG&E requests that the Commission extend this exemption for the SmartRate™ program for 2014, regardless of when the 2012 RDW decision is issued. At this point, there would not be sufficient time to change the SmartRate™ program for 2014. For this summer, PG&E would give the higher priority to making the necessary changes in the PDP program.

For background, in D.11-06-022, Ordering Paragraph (OP) 14, the Commission allowed PG&E to calculate the load impacts for its critical peak pricing programs averaged over the hours of 2:00 p.m. to 6:00 p.m., instead of the standard 1:00 p.m. to 6:00 p.m. interval over which load impacts are averaged for other demand response programs. PG&E was ordered to

"propose changes to the current large commercial and industrial and agricultural customers' PDP operational period of 2:00 p.m. to 6:00 p.m. to 1:00 p.m. to 6:00 p.m. in its 2012 Rate Design Window (RDW) application."[19/] As ordered, in February 2012 PG&E proposed changes to comply with these operational hours in its 2012 RDW application. However, PG&E became concerned that Commission approval would not be received in time for implementation in 2013 so it requested an exemption to this counting rule for PDP in an earlier phase of this proceeding.[20/] The Commission granted an exemption for 2013 for all of PG&E's critical peak pricing programs.[21/] PG&E's 2012 RDW application has yet to be addressed by the Commission, prompting the renewed exemption request here.

Granting these requested exemptions will ensure that PG&E's customers are not penalized with additional RA procurement costs during 2014.

Respectfully Submitted,

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19/ D.11-06-022, p. 60.
20/ PG&E Post-Workshop Comments, April 11, 2012.
21/ D.12-06-025, OP 9.