

## DRAFT

### Energy Division Direct Access Annual Status Report On the Enrollment Process for 2013

May 26, 2014

#### Summary

**The Commission in D.12-12-026 directed the Energy Division to prepare annual status reports containing specific information on the Direct Access (DA) enrollment process of the prior year and to begin the reporting in May 2014.**

On February 23, 2012, the Retail Energy Supply Association, Alliance for Retail Energy Markets, and Direct Access Customer Coalition (collectively, the Joint Parties) submitted a motion requesting a waiver from the requirement to file future motions to obtain status reports on the DA enrollment process. The Commission in D.12-12-026 granted the motion for the waiver and established an ongoing requirement for updated status reports on the DA enrollment process to be prepared and published annually by the Energy Division. With this motion granted, the Joint Parties no longer have to submit requests to receive these status reports.

To support this report, there was a consensus proposal that the utilities would provide the information needed by the Energy Division by April 1 of each year, for the previous year, beginning in 2014. The Joint Parties proposed that the Energy Division aggregate the utility information, and issue a status report in May of each year, beginning in 2014. The information specified for inclusion in the annual report is:<sup>1</sup>

- a. The number of valid Six-Month Notices submitted to the utility during the Submission Period, excluding duplicate Notices;
- b. The amount of Direct Access load (in annual gigawatt hours) available under the Overall DA Load Cap as of the commencement date of the lottery;
- c. The Lottery number assigned to the last customer given an opportunity to switch during the year (assuming the ascending count, i.e.1, 2, 3...); and
- d. The number of customers and their associated annual gigawatt hours of load that remained on the waiting list as of December 31 of the previous year.

The required information is provided in the table below. The Energy Division, as directed, serves this Annual Direct Access Status Report electronically to parties on the Direct Access Rulemaking (R.) 07-05-025 service list.

#### Background

**On March 11, 2010, the Commission authorized limited additional DA transactions pursuant to Senate Bill (SB) 695.**

In D.10-03-022, the Commission authorized limited additional DA transactions within the service territories of California's three largest investor-owned utilities, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego

<sup>1</sup> See Ordering Paragraph 3 of D.12-12-026.

Gas & Electric Company (SDG&E) in accordance with the provisions of SB 695. As part of that authorization, the Commission adopted procedures for phasing in new DA load, up to a maximum load cap in each utility’s service territory. Appendix 2 of that decision established detailed procedures for phasing in the new DA load over four calendar years: Year 1 (2010) through Year 4 (2013). The adopted procedures require a customer to submit a Six-Month Notice (of intent to switch to DA service) to the customer’s utility six months in advance of the switch date.

**A lottery process began in the 2013 enrollment period.**

Beginning with the 2013 DA open enrollment period, pursuant to D.12-12-026, the utilities used a lottery enrollment process instead of the “first-come, first-served” process. Parties that agreed upon replacing the “first-come, first-served” process with the lottery felt that a random order for accepting notices would create a more “level playing field”. The utilities assign a random number to each accepted Six Month Notice to determine its numerical position for any space that was available under the respective utility’s Overall DA Load Cap in October 2013 (6 months after the April 2013 6-month notice submission period). Customers whose load exceeded the cap were placed on a wait list for any load that may become available through the end of 2014.

The table below shows the information required pursuant to Ordering Paragraph 3 of D.12-12-026 for the DA 2013 enrollment period.

6-Month Notice Submission Period April 8-12, 2013	SDG&E	SCE	PG&E	Total
Number of valid Six-Month Notices submitted to the utility during the Submission Period - Duplicates Excluded	155	348	476	979
Amount of Direct Access load, in annual gigawatt hours, available under the Overall DA Load Cap as of the commencement date of the lottery	0	259.0	192.5	451
Lottery number assigned to the last customer given an opportunity to switch during the year. (Assuming 1, 2, 3....)	n/a	93	42	
Number of customers that remained on the waiting list as of December 31 of the previous year	155	255	435	845
Associated annual gigawatt hours of customer loads that remained on the waiting list as of December 31 of the previous year	545.2	1,351.0	4,235.1	6,131

For the most recent lottery enrollment, customers or their agents submitted six-month notices during the second full business week in April 2013, between 9:00 am (PDT) on April 8, 2013 and 5:00 pm (PDT) on April 12, 2013 for load that may become available for direct access commencing in October of 2013 and continuing through 2014.

### **Conclusion**

As in previous years, demand for DA service exceeded the load permitted under the adopted utility service area caps.