

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF
CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own
Motion to Conduct a Comprehensive Examination of
Investor Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and Dynamic
Rates, and Other Statutory Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

**PREHEARING CONFERENCE STATEMENT OF THE NATURAL
RESOURCES DEFENSE COUNCIL (NRDC)**

May 2, 2014

Sheryl Carter
Natural Resources Defense Council
111 Sutter St., 20th Floor
San Francisco, CA 94104
(415) 875-6100
scarter@nrdc.org

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I. INTRODUCTION

The Natural Resources Defense Council (NRDC) respectfully submits this prehearing conference (PHC) statement describing the types of evidence necessary to resolve factual disputes about default TOU rates in accordance with the “Third Amended Scoping Memo and Ruling of Assigned Commissioner”, dated April 15, 2014.

NRDC is a non-profit membership organization, representing nearly 100,000 California members with an interest in receiving affordable energy services and reducing the environmental impact of California’s energy consumption.

**II. THE ENERGY EFFICIENCY AND CONSERVATION IMPACTS
OF A DEFAULT TOU MUST BE EXAMINED**

While there has been a fair amount of discussion and some evidence on the load shifting benefits of a TOU rate design in the proceeding thus far, there exists scant information or data on the record to support the energy efficiency and conservation benefit claims specifically (other than evidence offered to the contrary by NRDC and some other Parties). Energy efficiency and load shifting are both valuable, but they are very different in nature. The overwhelming majority of the evidence presented by Parties regarded load

shifting and not true energy efficiency or conservation. The following are factual issues that must be resolved by the Commission, and the record must contain more evidence to establish:

- The impacts of default TOU rates on energy efficiency and conservation specifically.
- What effect a baseline tier or credit might have on the incentive for energy efficiency and conservation in any default TOU rate.

NRDC also agrees with several additional issues raised by other Parties to the proceeding, but these factual issues are paramount for NRDC. AB 327 requires that the Commission ensure that rate changes do not impair incentives for energy efficiency and conservation. The conservation and efficiency impacts of tiered rates versus default TOU rates are factual issues that have been the subject of some study and expert analysis. NRDC provided substantial evidence concerning the energy efficiency impacts of tiered rates, and the fact that tiered rates promote investments in energy efficiency, and peak load reductions. The record must be supplemented to provide more evidence regarding default TOU rates.

III. CONCLUSION

NRDC appreciates the opportunity to offer this PHC statement and looks forward to the discussion at the PHC.

Dated: May 2, 2014

Respectfully submitted,



Sheryl Carter
Natural Resources Defense Council
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San Francisco, CA 94104
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