

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)

REPLY COMMENTS OF THE UTILITY REFORM NETWORK
ON PROPOSED DECISION APPROVING DEMAND RESPONSE
PROGRAMS FOR 2015-2016



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**REPLY COMMENTS OF THE UTILITY REFORM NETWORK
ON PROPOSED DECISION APPROVING DEMAND RESPONSE
PROGRAMS FOR 2015-2016**

Pursuant to Rule 14.3, the Utility Reform Network (“TURN”) submits these reply comments on the Proposed Decision of ALJ Hymes approving demand response program changes and budgets for 2015-2016 (“PD”).

TURN recommends the following in these reply comments:

- The PD be revised to adopt ORA’s proposed change to the BIP trigger, as the ORA correctly explained that the conclusion in the PD concerning the impact of the BIP settlement is legally erroneous;
- The PD should be revised to authorize PG&E to “continue” its T&D pilot; however, PG&E has not demonstrated that it requires any incremental funding to complete the T&D pilot originally authorized for 2012-2014.

1. Reply to ORA and CLECA Regarding the Trigger for the Base Interruptible Program

The PD asserts that changing the trigger for the Base Interruptible Program, so that the utilities and the CAISO could “consider BIP for dispatch” prior to the use of exceptional dispatch, could “harm the Settlement” adopted in D.10-06-034 and would require all parties to the Settlement to be “in agreement.”¹

¹ PD, p. 13.

The ORA correctly explained that these conclusions of the PD are legally incorrect. The actual Settlement prohibits parties from seeking changes to the BIP trigger only “for any year prior to 2015.”² There is thus nothing in the Settlement that prohibits a change in the BIP trigger for 2015-2016. Indeed, arguably such a change is consistent with the original intent of the Settlement.³ The PD should be revised to adopt ORA’s proposed change to the BIP trigger.

2. Response to PG&E Concerning the T&D Pilot

PG&E claims that its original proposal provided sufficient description of the T&D pilot, and PG&E provides additional explanation of how its T&D pilot differs from the work authorized for the 2012-2014 T&D pilot.⁴ Essentially, PG&E explains that due to a 15-month delay, PG&E was able to complete only one of two planned phases of the original 2012-2014 T&D pilot.⁵

Though TURN is often skeptical of utility pilots, TURN strongly supports the objectives of the T&D pilot. In its comments PG&E explains that the pilot is intended to provide data and information concerning the ability of distributed energy resources, including behind the meter solar generation, storage and demand response, to provide locational benefits by deferring distribution circuit upgrades. The question of whether and how DER can provide locational benefits is an issue that has been quite difficult to address, and is also quite relevant in a

² ORA Comments on PD, p. 3.

³ See, ORA Comments on Proposals, March 3, 2014, p. 11-13.

⁴ PG&E Comments on PD, p. 2-6.

⁵ PG&E Comments on PD, p. 4.

number of proceedings addressing distributed energy resources. There is a lack of data concerning the benefits of locational targeting of DER, and the methods by which such benefits could be quantified and captured.

TURN thus recommends that PG&E be required to complete this T&D pilot. What is totally unclear from PG&E's explanation is why it needs an incremental \$1.622 million to complete the T&D pilot. PG&E claims that it was unable to complete the pilot in 2012-2014, and its expenditure report for December 2013 shows that it had spent only \$48,436 out of an authorized budget of \$2.458 million. PG&E should have sufficient funds to complete this work in 2015-2016. TURN thus recommends that the Commission order PG&E to continue and complete the T&D pilot in 2015-2016 using the funds previously authorized. If PG&E does not have sufficient funds to complete the pilot, it should address this issue comprehensively in the distribution plan that it must submit pursuant to § 769.

May 12, 2014

Respectfully submitted,

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