

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 CONSUMER FEDERATION OF CALIFORNIA REPLY COMMENTS RELATING TO
THE PROPOSED DECISION APPROVING DEMAND RESPONSE PROGRAM
IMPROVEMENTS AND 2015-2016 BRIDGE FUNDING BUDGET REQUIREMENTS**

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The Consumer Federation of California would like to thank the California Public Utilities Commission (the Commission) and the Administrative Law Judge (ALJ) for the opportunity to file these Reply Comments relating to the Proposed Decision, dated April 15, 2014, in Rulemaking 03-09-011.

The CFC is a non-profit 501(c) (4) federation of individual consumer members and organizations that are comprised of California consumers, consumer groups, senior citizen groups, labor groups, community based groups and other organizations.

1. Reporting Requirements

CFC strongly supports the finding that the Investor Owned Utilities (IOUs) should be required to provide weekly exception reporting to Energy Division and Office of Ratepayer Advocates (ORA), as originally suggested by ORA. CFC also agrees that in these reports, the utilities identify and describe each occurrence when a demand response program was economic to dispatch but the utility decided to utilize a non-demand response resource instead. The importance of this reporting cannot be underestimated. As some have commented, there may be serious issues relating to underutilization of these programs. CFC is concerned that while the parties expend valuable resources dealing with the complexities of the issues in this rulemaking, because the IOUs still have the discretion to not implement DR programs, even when triggered, after all is said and done, the use of demand response at the residential level may not be enhanced and may not help in meeting the state's resource needs simply because DR was not implemented when it might have been.

According to the California Energy Commission's (CEC) 2013 Integrated Energy Policy

Report, the various demand response programs have underperformed and have not yet achieved the 2007 goal to reduce peak demand by 5%. If this underperformance is, in large part or in small, the result IOUs deciding to simply not dispatch demand response resources at times when dispatch is triggered, the Commission and the public should be made aware of this. The data contained in these weekly reports will help in assessing why the various demand response programs continue to underperform.

We would also add that these reports will provide invaluable data relating to the failure or success of the pilots themselves when future assessments are made.

2. Pilot Programs

We applaud the Commission and ALJ in scrutinizing the pilot programs, with a critical eye toward funding. As CFC had suggested previously, many pilot programs have been conducted already, at great expense, with dubious results and a critical assessment of future programs is wise. We therefore appreciate the decision to place reasonable limitations on the pilots and the funding of the pilots.

Respectfully Submitted May 12, 2014

_____/s/_____,

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