

**Environmental Defense Fund  
Demand Response OIR 2013  
R.13-09-011  
Data Request**

Recipient:	California Large Energy Consumers Association		
EDF Data Request No.:	EDF-CLECA_001		
Request Date:	May 30, 2014	EDF Contact:	Jennifer Weberski
Due Date:	June 4, 2014	EDF Contact Phone No.:	703-489-2924

- (1) Does CLECA believe that the cost of providing utility services, including distribution, transmission, and generation, varies by location? If, no, please explain.

The cost of providing utility services may vary by location. It may also vary over time.

- (2) Please cite to the record in this proceeding where the details of the California Independent System Operator (CAISO) stakeholder process referenced in CLECA's rebuttal testimony related to generation pricing has been entered.

The first reference was made in CLECA's rebuttal testimony. However, the documents related to this process are publicly available on the CAISO website.

- (a) Does the record contain all of the documents, meeting minutes, workpapers and records of the CAISO process referenced in CLECA's rebuttal testimony?  
(b) If the record does not contain all of the documents, meeting minutes, workpapers and records listed above, please provide a listing with citations to those documents, meeting minutes, workpapers and records that are missing from the proceeding record.  
(c) Did the CAISO stakeholder process referenced in CLECA's rebuttal testimony consider any other electricity service costs other than generation?

The CAISO website contains all relevant documents. They can be found at <http://www.caiso.com/informed/Pages/StakeholderProcesses/LoadGranularityRefinements.aspx>

The CAISO took into account generation costs, including the effect of losses and congestion on the transmission system. The CAISO did not consider distribution costs.

- (3) To CLECA's knowledge do the investor-owned utilities estimate or forecast load growth on a locational basis for the purposes of planning their distribution and transmission systems? To CLECA's knowledge are utility investments based on these estimates or forecasts?

PG&E says in its GRC Phase 2 testimony that it forecasts load growth on a locational basis for distribution planning. To my knowledge, SCE does not. I suggest you ask SCE and SDG&E whether or not they estimate or forecast load growth on a locational basis.

I note that in their comments on the CAISO's Load Granularity process, PG&E and SCE stated that the increased cost of forecasting load at a level below the DLAP was not justified by offsetting benefits.

- (4) Is it CLECA's position that load modifying demand response (DR) programs or tariffs should not be structured so as to reflect the underlying costs of providing distribution services? Is it CLECA's position that the Commission should avoid encouraging adoption of DR programs or tariffs that are based, in part or in whole, on creating benefits to the utility distribution systems?

There is some merit to targeting DR programs to areas of higher distribution cost and this can be done now, regardless of the outcome of this rulemaking. My rebuttal testimony goes to EDF's proposal that tariffs vary geographically, based on differences in distribution costs.

By tariffs, I assume EDF refers to rates, although the EDF testimony is not clear. Rates should and do recover distribution costs. What is not clear is EDF's definition of "the underlying costs of providing distribution services". It appears EDF intends a high level of geographical de-averaging of rates based on such costs. EDF is involved in the Residential Rate Design rulemaking and should be aware of the multiple objectives that must be met in designing rates, including simplicity. Greater disaggregation by geography adds complexity and implementation costs. It also raises equity issues.

The implication of this question is that the main objective for rate design is reflecting cost at a moment in time, unless EDF believes that rates should change continuously as costs change. The implication of the question below is that equity is the objective. These two objectives are often in conflict, yet the question below implies they are synonymous. Thus, EDF's position is at best confusing.

- (5) Does CLECA believe that current utility tariffs result in perfect intra- and inter-class equity? If yes, please explain.

CLECA objects to this data request because it is not clear, and lacks a definition of "perfect equity". Notwithstanding this objection, if the question is whether rate design can ever be done perfectly, the obvious answer is "no" due to competing objectives.