

**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)

**STATUS REPORT ON BEHALF OF PARTIES
PARTICIPATING IN SETTLEMENT MEETINGS**

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Dated: June 23, 2014

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Pursuant to the Presiding Administrative Law Judge’s direction at page 53, transcript volume 2, June 12, 2014, directing the parties to file a status report on demand response (DR) rulemaking settlement talks no later than June 23, 2014, Pacific Gas and Electric Company (PG&E) submits this report on behalf of parties participating in settlement discussions.^{1/}

I. REPORT ON SETTLEMENT MEETINGS AND PROCESS TO DATE

On June 12, 2014, the parties convened their initial settlement meeting to identify issues for the settlement discussions and the process for moving the process forward expeditiously. The group’s goal is to build on the excellent work at the June 9, 10 and 11 workshops where everyone learned so much from the constructive sharing of information from many different stakeholders. All parties agreed that the communications and information sharing started in the workshops was extremely useful, potentially made settlement of some issues possible, and would help focus and clarify any issues than might still require hearings. The June 12 settlement meeting went until the end of the day, and continued the progress started in the workshops.

^{1/} Entities participating in the June 19th settlement meeting were the Office of Ratepayer Advocates (ORA), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), the California Large Energy Consumers Association (CLECA), The Utility Reform Network (TURN), EnerNOC, Inc. (EnerNOC), Comverge, Inc. (Comverge), and Johnson Controls, Inc. (JCI) (together “Jt. Parties”), the California Independent System Operator (CAISO), Direct Access Customer Coalition (DACC) and the Alliance for Retail Energy Markets (AReM) (together DACC/AReM), the Environmental Defense Fund (EDF), the Sierra Club (Sierra Club), the Clean Coalition (Clean Coalition), Calpine Corporation (Calpine), Marin Clean Energy (MCE), Consumer Federation of California (CFC), Shell Energy (Shell), and Olivine Inc. (Olivine). All parties except for MCE attended in person; only MCE participated by phone.

On June 12th, working groups were established on the following major issue areas, with a schedule for producing settlement discussion papers within a week for each area:

- #1 – DR Goals.
- #2 – Valuation/Program Categorization.
- #3 – DRAM, Utility Roles, Future Procurement.
- #4 – CAISO Integration.
- #5 – Budget Cycle.
- #6 – Cost Allocation.

For each issue group, goals were to identify i) what issues can be (or have been) settled or have the prospect of being settled and ii) what issues (if any) are not likely of settlement and require resolution by (a) hearing and/or (b) briefing without hearing. The members of each working groups had numerous e-mail exchanges and one or more conference calls. All of the groups produced discussion papers presenting possible elements for settlement discussions. The groups on DR Goals, Valuation/Program Categorization, the Demand Response Auction Mechanism (DRAM), the California Independent System Operator (CAISO) Integration, and Budget Cycle all circulated their settlement discussion documents to the full group prior to the June 19th meeting.

On June 19th, representatives of 20 parties met in person to continue the group's discussion of possible settlement, or partial settlements, for issue areas 1 through 5. The lead representative for issue area 6 reported that a June 17 telephonic discussion of a settlement proposal did not result in a group belief that further discussions would be productive and the issue was deemed suitable for briefing rather than hearings. The discussions during the June 19th settlement meeting delved more deeply into the very complex issues at stake. As a result, the parties are optimistic that the settlement discussions are likely to lead to resolution of some of the issues, and perhaps partial settlement of other issues. At the end of the day, the parties set out

next steps for continuing the settlement process, including scheduling the next in-person group meeting for June 26th.

The parties also agree that the settlement process requires extensive resources and concentration by all the participants. Everyone has been concerned that the hearings set for July 10 and 11 would interfere significantly with the settlement effort. Therefore, the parties requested a telephone conference with ALJ Hymes to present their concerns about the schedule, and to request that the July 10 and 11 hearing dates be vacated. ALJ Hymes agreed to the call.

II. Schedule and Process Going Forward

The telephonic conference occurred Friday morning, June 20, 2014. During the conference, counsel for the Joint Demand Response Parties (speaking on behalf of the parties) summarized the procedural progress of the settlement discussions and presented the parties' request to suspend the July 10 and 11 hearing dates. The parties further indicated that setting a date of July 31 for a prehearing conference would allow sufficient time to i) prepare and file a motion and a settlement agreement for issues that may be resolved, and ii) time to notice and convene a formal settlement conference under Rule 12 of the Commission's Rules of Practice and Procedure. The parties also expressed their willingness to an expedited hearing and briefing schedule in connection with the scheduling changes requested during the call.

ALJ Hymes encouraged the parties to continue their settlement discussions, and agreed to vacate the July 10 and 11 hearing dates, while directing the parties to file the status report on June 23. The parties also agreed with the ALJ to check their availability for the weeks of July 28 and August 4, and provide that information in the status report. Attachment A to this pleading presents the parties' unavailability information provided so far; when there is no known availability problem yet, nothing has been entered into the table. The parties and ALJ Hymes also noted that the existing dates for the draft workshop report (distribution on June 24, corrections on July 1, and reply corrections on July 8) remain unchanged.

**INFORMATION ON PARTY UNAVAILABILITY FOR THE WEEKS BEGINNING
JULY 28 AND AUGUST 4, AS OF JUNE 23, 2014***

PARTY	WITNESS, COUNSEL, OTHERS	DATES UNAVAILABLE
PG&E	Witness Alex Papalexopoulos	July 28 to July 30; August 6 to 8
	Witness Ken Abreu	August 7 and 8
	Witness Nick Ho	July 28, 30 and 31
	Witness Jay Zarnikau	July 30 and 31
Jt. Parties	Witness Campbell	July 28 to August 4
	Witness Frank Lacey	July 28 and 29
CAISO	Witness John Goodin	Week of July 28 and Week of August 4
	Witness Jeremy Laudergan	August 4 and 5
SDG&E	Witness Dave Barker	Week of July 28 and August 4, 5, 6

* The table only contains information provided as of Monday morning, June 23, regarding witnesses or counsel who are not available on a given date. The parties will provide additional information as soon as possible.