

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 OFFICE OF RATEPAYER ADVOCATES' OPENING COMMENTS
ON DRAFT WORKSHOP REPORT ON PUBLIC ALL-PARTY
DISCUSSIONS ON JUNE 9, 10 AND 11, 2014**

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July 1, 2014

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I. INTRODUCTION

On June 9, 10 and 11, 2014, the Commission held public all-party discussions on the issues identified in the Order Instituting Rulemaking (R.) 13-09-011. On June 19, 2014, the Investor-Owned Utilities (“IOUs”), Pacific Gas and Electric Company (“PG&E”), San Diego Gas & Electric Company (“SDG&E”), and Southern California Edison Company (“SCE”), submitted a draft Workshop Report on the discussion. ALJ Hymes’ June 6 ruling requested the submission of comments with corrections to the draft Report by July 1 and Reply Comments by July 8. The Office of Ratepayer Advocates (“ORA”) submits the following recommended corrections to the draft Report.

II. DISCUSSION

ORA recommends the following corrections to the discussion regarding ORA’s comments on the Demand Response Auction Mechanism (DRAM).

Market failure, page 22:

~~ORA pointed out that due to if the bestmajority of customers are already locked in to existing AMP contracts, the DRAM would see little participation and would be likely to fail. how will the DRAM be a robust auction if the best customers are already taken? ORA went on asserting that we need to make sure there must be are as many customers as possible available to participate during the first year, if the auction is to be more than just a pilotthe auction would be more the nature of a pilot.~~

Parties raised the issue that DR customers (for instance AMP), would have to leave the program in order to sign up with another program, which may seem unappealing in the beginning. ORA and McMahon responded by saying that customers could stay with their current provider (Aggregator, DRP or IOU) until DRAM bid goes through and then switch. McMahon challenged that if we continue with utility DR, how would we incentivize 3rd parties to participate? The ALJ interjected by stating that the IOU’s role in the future has been included in the scope.

III. CONCLUSION

ORA respectfully requests that the changes proposed above be made to the final Workshop Report.

Respectfully submitted,

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